

AGRICULTURAL OUTLOOK

October 1984

• Economic Research Service
United States Department of Agriculture



Curbing World Dairy Production

AGRICULTURAL OUTLOOK

October 1984/AO-103



Departments:

- 2 Agricultural Economy
- 12 World Agriculture and Trade
- 16 Transportation
- 18 Production Cost Highlights
- 20 Recent Publications
- 24 Agricultural Policy

Special Report:

- 23 USSR Grain Production and Trade

Statistical Indicators:

- 26 Summary Data
- 27 Farm Income
- 30 Farm Prices Received and Paid
- 31 Producer and Consumer Prices
- 33 Farm-Retail Price Spreads
- 34 Transportation Data
- 35 Livestock and Products
- 38 Crops and Products
- 41 Supply and Utilization: Crops
- 43 General Economic Data
- 44 U.S. Agricultural Trade
- 48 World Agricultural Production

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In Brief. . .

News of 1984 Crops, World Milk Surpluses, & Soviet Grain Purchases

The 1984 U.S. wheat crop, estimated at 2.57 billion bushels, is expected to be the third largest in history. The crop will push 1984/85 supplies to their largest ever—just under 4 billion bushels. However, larger world demand, especially from the Soviets, will boost disappearance to an alltime-high 2.59 billion bushels. This will leave yearend stocks down modestly, with three-fourths of them placed in the farmer-owned reserve and Commodity Credit Corporation inventory. Free stocks will be at one of their lowest levels in 10 years.

The 1984/85 rice crop is estimated 37 percent higher than last year. Harvested area is up 30 percent from a year earlier, and unexpected record yields of 4,880 pounds an acre will boost production another 6 percent.

The corn crop is now estimated at 7,552 million bushels, down 116 million from August. Although hot, dry weather in some States diminished yield prospects, production will still be well above last year's.

Larger soybean supplies this year have contributed to price weakness. The drought was not as damaging as originally indicated, and the crop may reach 2.03 billion bushels, up from the previous estimate of under 2 billion. Cotton yields are forecast at a record 615 pounds an acre, 25 pounds above the previous record. Production is now estimated at 13.3 million bales.

Meat production typically expands in the fall, but may decline this year from last year's large output. The current



downswing in hog production may offset seasonal increases in beef. Meat production during October and November could be smaller than a year ago and could remain so through the winter.

Third-quarter broiler production was probably 5 to 7 percent above last year. The number of chicks hatched for third-quarter slaughter was up 4 percent, and the birds were larger because a cooler-than-normal summer resulted in additional weight gains.

Turkey prices are expected to remain strong through the end of the year because of reduced supplies. During third-quarter 1984, prices for 8- to 16-pound young hen turkeys in the Northeast probably averaged 72 cents, up from 60 cents last year.

Global milk production is expected to drop in 1984 and 1985. With new supply controls introduced by major producers, especially the United States and the European Community, milk production in the 37 major producing countries is expected to be down 800,000 tons from 1983. While this is only a 0.2-percent decline, it follows increases of 2 and 4 percent in 1982 and 1983.

Ports on the Gulf of Mexico handle most of the grain exports from the United States. Gulf ports account for 50 to 60 percent of wheat exports, 60 to 70 of corn, and 80 to 85 of soybeans. Recently, Pacific ports have increased their share of exports, because more favorable inland transportation rates have allowed them to take better advantage of their nearness to Asia.

Major U.S. crops will cost more to produce this year. Although crop prices will fall, per-acre receipts will increase. Cow-calf and dairy enterprises will cost slightly more to run, while fed cattle and hogs will cost less. Except for feeder livestock, energy, and general farm supplies, expenses for production inputs increased in 1984. Last year's relatively high grain prices resulted in higher seed prices this year. Fertilizer costs also increased.

The Soviet Union has stepped up grain purchases from the United States. The United States notified the Soviets that the long-term grain agreement's annual 12-million-ton consultation limit would be expanded to 22 million tons for the agreement year beginning October 1, 1984.



Agricultural Economy

Low returns to livestock producers have prompted reduced red meat production for this fall and winter from a year ago, but further expansion in broiler output is likely. A sharp downturn in pork production accounts for much of the decline in red meat production.

Feed costs rose as the drought hit feed grain crops in the summer of 1983. Thus, higher feed costs and very large supplies of meat have made returns generally low. However, other developments have also contributed to the lackluster performance of the livestock sector: farmers' financial concerns, large imports of Canadian pork and hogs, the dairy program that moved extra cows onto the market in early 1984, and poor forage conditions in some areas.

Meat production in first-half 1984 was up 2.5 percent from early 1983, with increases in beef, pork, and broilers. A sharp turnaround in pork production and much smaller summer cow slaughter were expected to reduce total meat output significantly during the third quarter. However, while

pork production was down around 8 percent from a year earlier, cow slaughter remained very large. This, combined with 5 to 7 percent more broiler meat, resulted in total meat production this summer being off only about 2 percent from last year.

Weather helped boost summer pork production and cow slaughter more than expected. Because of cooler weather, rates of gain for hogs were good during the summer, and barrows and gilts moved to market a little heavier than normal. Also, drought in the Southern and Northern Plains likely forced stockmen to reduce beef cow herds more in line with their pastures' limited carrying capacity.

Part of the reason that more hogs and cows have been marketed in recent months has to do with farm finances. During the past few years, many farmers, especially those who are highly leveraged, have experienced cash flow problems, and are carefully examining alternatives to improve their situation. Some of the avenues open to them include:

- reducing or delaying the purchase of supplies and equipment;
- rescheduling debt;
- selling capital assets including livestock, equipment, and land;
- participating in available Government programs; and
- using futures markets or forward contracting to better ensure future market prices.

Therefore, more farmers are making marketing and production decisions with an eye on solving cash flow problems. Livestock enterprises that have immediate cash flow problems, as well as those that may not produce a strong cash flow in the near future, are losing out to other farm enterprises. As a result, some cow herds are being sold or reduced to generate cash and hold down winter feeding costs. Hogs may have been liquidated to generate immediate income and to lower feed costs. In other instances, expansion of livestock operations is being delayed or eliminated.

Most farmers are aware that lenders are being forced to hold firm on lines of credit. In many instances, lenders are being forced to lower credit limits on more risky borrowers. Bankers feel their portfolios include too many problem loans and are encouraging their customers to clean up old debts and operate with minimal funds. Thus, the financial stress of many farmers is likely affecting current commodity supplies and prices.

The larger 1984 soybean and corn crops and the somewhat improved fall forage conditions will help hold down feed costs in the first half of next year. Hog slaughter may be off 1 to 3 percent. Cattle feeding is likely to hold about steady with year-earlier activity, but cow slaughter could decline substantially after the fall roundup, if fall grazing prospects improve. Broiler producers probably will continue to step up production in the first half of next year, but total meat production will be smaller than a year earlier. Less meat per person and rising consumer incomes will strengthen livestock and poultry prices. [Donald Seaborg (202) 447-8376]

LIVESTOCK HIGHLIGHTS

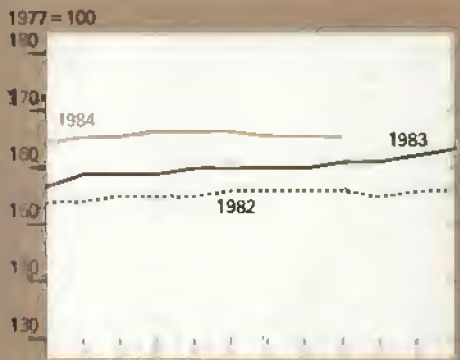
• Cattle

Cow slaughter has likely remained above a year earlier through the third quarter but may decline moderately from a year earlier during the fourth quarter. Forage conditions remained poor in Texas, and have deteriorated in Missouri, Oklahoma, and Montana, inducing producers in those areas to adjust the size of their herds. However, recent rains may improve fall grazing prospects.

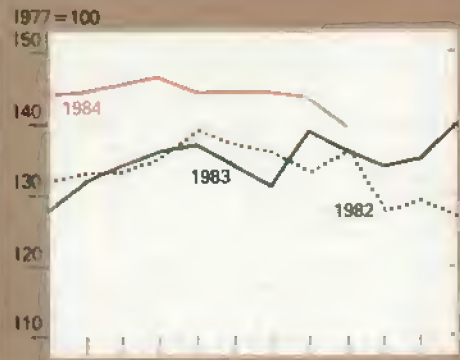
Cow slaughter this fall is expected to rise seasonally and remain close to last year, largely because effects of the drought and economic problems plaguing the cow-calf sector of the beef industry are likely to remain through the near term. Low or negative returns to the producer over the past 3 years arose because feeder cattle prices

Prime Indicators of the Agricultural Economy

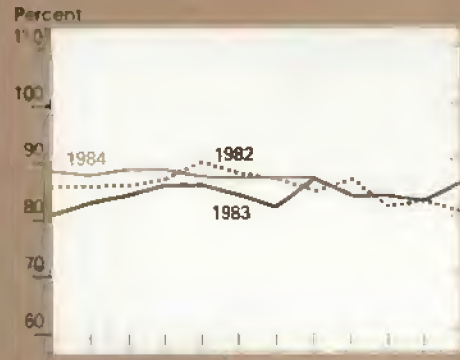
Prices paid by farmers¹



Prices received by farmers²



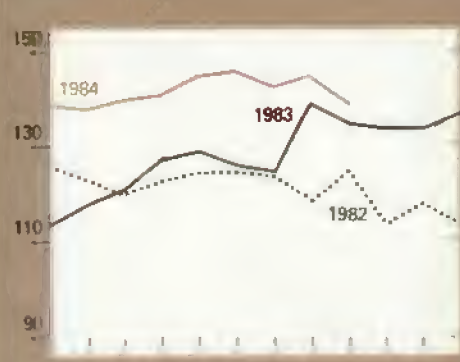
Ratio of prices received to prices paid



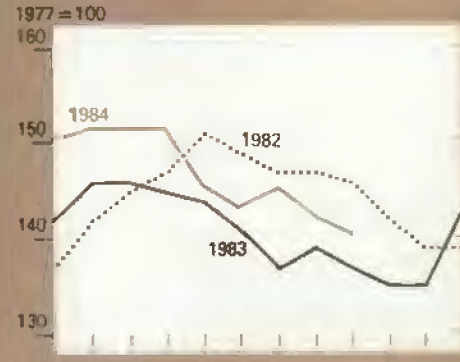
Fertilizer prices



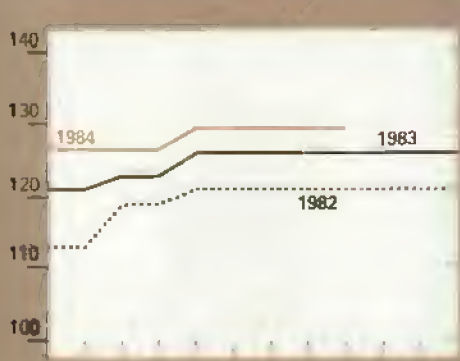
All crops



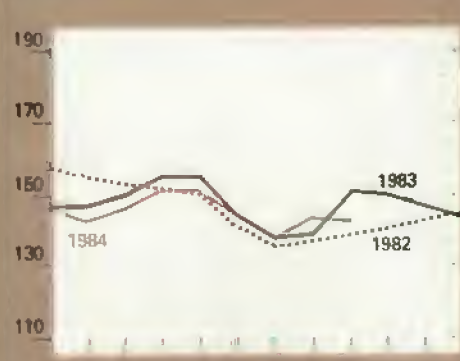
Livestock and products



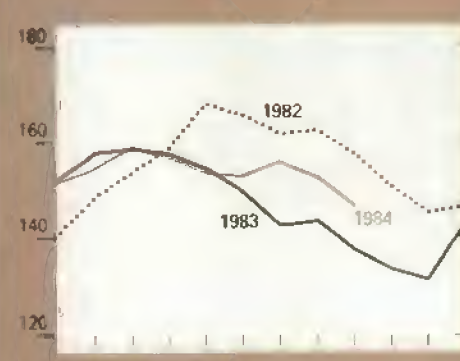
Agricultural chemicals



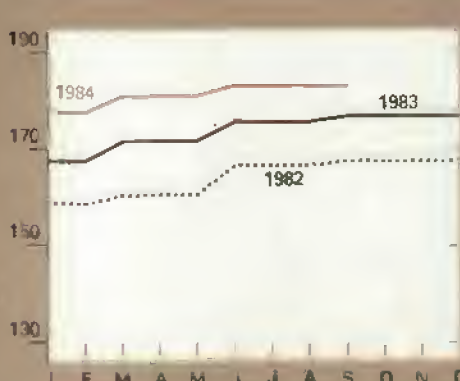
Food grains



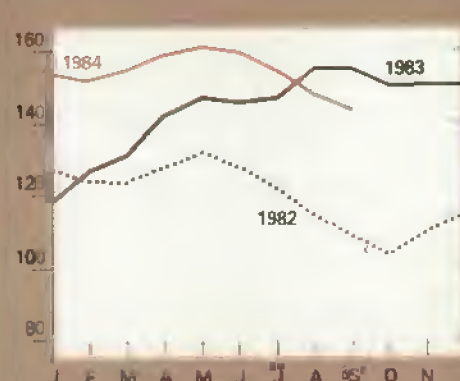
Meat animals



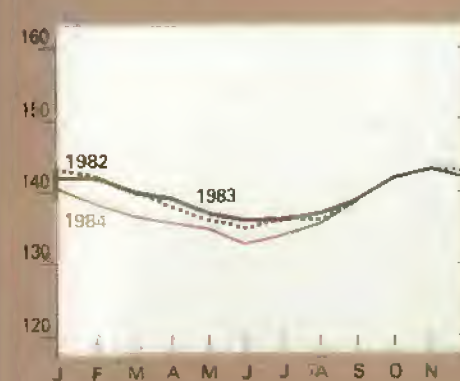
Tractors and self-propelled machinery



Feed grains and hay



Dairy products



¹For commodities and services, interest, taxes, and wages

All series except "Ratio of Prices Received to Prices Paid" are indexes based on 1977 = 100.

²For all farm products

declined over \$15 per cwt from their 1979 high, while costs remained relatively constant.

For the mixed crop-livestock operators, drought in some regions exacerbated these low returns. For operators in drought-stricken areas, such as Texas and Montana, lack of forage supplies has been the major problem.

Continued large cow slaughter, a component of nonfed production, will add to beef production during the fourth quarter. However, total beef production will be held down by lighter slaughter weights. Dressed weights for federally inspected slaughter during August averaged 628 pounds—7 pounds below a year earlier. Steer weights were about the same; however, dressed weights of cows were 13 pounds below a year earlier, indicating the poor condition of cows marketed from drought-affected areas.

The increased 1984 cow slaughter means a smaller January 1, 1985, inventory if the slaughter is not offset by a large number of heifers entering the herd. This is unlikely because of the poor weather conditions existing late last fall and winter when these heifers would have been bred.

Cattle feeders continued marketing large numbers of fed cattle during August. Marketings in the seven monthly reporting States during August, at 1.67 million head, were up 1 percent from a year earlier. Also at that time, placements of cattle on feed were up 5 percent from a year earlier. Cattle on feed inventories for September 1 were 6.75 million, up 1 percent from last year. Cattle feeding activity continues to be centered in the Southern Plains. Texas showed a 19-percent increase in cattle on feed on September 1 over last year, and Kansas was up 14 percent. Placements for the two States were up 10 and 31 percent, respectively.

Corn Belt farmer-feeders usually begin feeding cattle after the fall harvest. However, this fall, it is likely that cattle on feed in the Corn Belt will remain lower than normal. A larger share of the fed cattle will probably continue to come from the Southern Plains.

Beef production during the fourth quarter is expected to be down about 3 to 5 percent from last year. This lower production will result primarily from lower fed beef production and lighter slaughter weights.

With less fed production and lower grain prices, Choice fed steer prices will likely strengthen somewhat and lend support to stronger feeder cattle prices. Choice steer prices may increase from the low \$60's per cwt to the upper \$60's by late fall. At the same time, cattle feeding activity may boost feeder steer prices to a premium over Choice prices. Feeder prices could reach \$70 later this fall. Utility cow prices at Omaha lost some strength during mid-September—falling to about \$39. This price should hold at about that level through the fourth quarter.

Retail beef prices averaged \$2.37 in August, up 1 cent from July. With a decline in Choice steer prices, the farm-retail price spread widened in August, and the farmers' share declined from 60 to 58 percent of the retail price. The price spread was 95 cents in July and \$1 in August, and will likely continue to grow in the fourth quarter.

Retail beef prices will probably rise to the mid- to upper-\$2.40's by late fall and remain there through the first half of next year. *(John Nalivka (202) 447-8636)*

•Hogs

The September *Hogs and Pigs* report indicated that producers continued to farrow fewer sows this summer and are planning to do so through winter 1985. Although pork production declined sharply this summer, third-quarter prices averaged about \$51 per cwt. The September seven-market price averaged about \$47 per cwt. Even though feed costs have moderated, the average farrow-to-finish producer broke even only briefly this summer.

If producers follow their intentions to farrow fewer sows during September 1984-February 1985, pork output will decline on a year-over-year basis at least through spring 1985. Smaller pork output, along with lower beef production because of inventory reductions, will result in higher hog prices. However, increases in broiler production may temper hog price increases.

The September 1 inventory of all hogs and pigs in the 10 States conducting quarterly surveys totaled 42.8 million head, down 7 percent from a year earlier. The breeding inventory, at 5.52 million head, was 5 percent below a year ago. The market hog inventory, at 37.3 million head, was 7 percent below last year.

The June-August pig crop totaled 16.9 million head, 4 percent below last year. Producers intend to have 2.26 million sows farrow during September-November, down 5 percent from last year. During December 1984-February 1985, producers intend to have 1.91 million sows farrow, down 1 percent from last year.

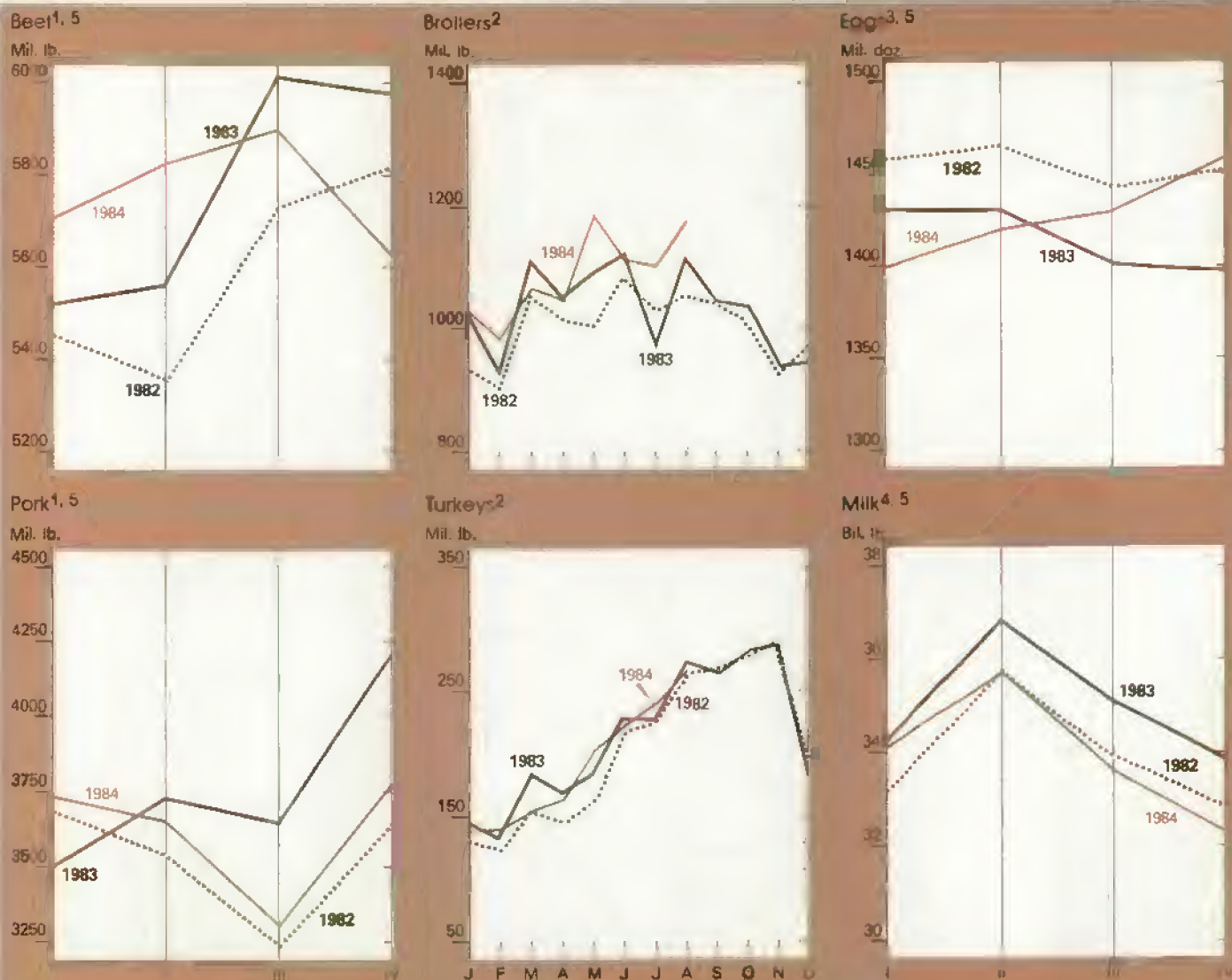
Fourth-quarter slaughter is drawn largely from the September 1 inventory of market hogs weighing 60 to 179 pounds, which was down 8 percent. Slaughter this fall is projected at about 21.8 million head, down 10 percent from last year. Hog prices are expected to average \$48 to \$52 per cwt as the strong economy and lower beef production help to support prices. However, higher broiler production should dampen prices.

Commercial hog slaughter in first-quarter 1985 is projected at around 21 million head, down 4 percent from 1984. The principal source of first-quarter slaughter is the inventory of market hogs weighing under 60 pounds on September 1, which was down 6 percent. First-quarter 1985 hog prices are projected to range from \$51 to \$55 per cwt. *(Leland W. Southard (202) 447-8636)*

•Broilers

Broiler production during the third quarter was likely 5 to 7 percent above last year's 3,135 million pounds. The number of chicks hatched for third-quarter slaughter was 4 percent above last year and the birds have been heavier this year.

Supplies Update: Livestock and Products



¹Commercial production. ²Federally inspected slaughter, certified. ³Farm production; marketing year beginning Dec. 1. ⁴Total production. ⁵Forecast for latest quarter.

Producers are continuing to increase the number of eggs set and chicks placed for fourth-quarter slaughter. If weights continue higher than last year's, the output of broiler meat may be 8 to 10 percent above fourth-quarter 1983's low 2,917 million pounds. With the number of light-breed turkeys down from earlier years, some consumers may instead purchase a young roaster chicken for the holidays. This potential demand could encourage higher slaughter weights in the fourth quarter.

Producers' positive returns during most of 1984 should encourage production increases in 1985. During first-

quarter 1985, cumulative pullet placements 7 to 14 months earlier will be 5 percent above 1984 numbers. The hatchery supply flock had been cut back in 1983 and 1984, so expansion will probably not mean an identical increase in broiler production. In 1985, broiler output is expected to be up 5 to 7 percent from 1984's anticipated production.

The wholesale price of broilers in 12 cities during August averaged 51 cents a pound, down from 54 cents last year.

Prices strengthened in September and likely averaged 54 to 55 cents during the third quarter, near last year's 54. If fourth-quarter prices continue as strong as expected, the 12-city price may average 50 to 54 cents, down from 55 last year.

With smaller supplies and higher prices of competing red meats in first-quarter 1985, the 12-city broiler price may increase and average 53 to 57 cents a pound—still down from 62 cents in 1984. Prices will likely weaken if meat supplies increase in second-half 1985. For all of 1985, broiler prices may average 51 to 55 cents, down from this year's 54 to 58 cents. [Allen J. Baker (202) 447-8636]

•Turkeys

Through the end of the year, turkey prices are expected to remain strong because of reduced supplies. However, price strength may be dampened if turkey consumption is limited to only holiday meals. During third-quarter 1984, prices for 8- to 16-pound young hen turkeys in the Northeast probably averaged 72 cents a pound, up from 60 cents last year.

Cold storage stocks of frozen turkey on September 1 were down 15 percent from last year. Whole turkeys decreased 16 percent, while parts were down 9 percent. With storage stocks of frozen turkey below last year and production perhaps down slightly, fourth-quarter prices may average 73 to 77 a pound, up from 69 cents last year.

Based on the number of poults placed for third-quarter 1984 slaughter, output of turkey meat from federally inspected plants may be the same to 2 percent below last year's 760 million pounds. Strengthening prices caused producers to increase the hatch in August, some of which may be slaughtered late in the fourth quarter. As a result, output in the fourth quarter may be the same to 2 percent below last year's 769 million pounds. With strong prices in second-half 1984 and increased supplies of feed grains in 1985, turkey producers will likely increase output 3 to 5 percent from 1984. If 1985 production increases as expected, prices may average 65 to 69 cents, down from 1984's 68 to 72 cents. [Allen G. Baker (202) 447-8636]

•Eggs

Producers, encouraged by strong prices in first-half 1984, are expanding egg output by ordering more replacement pullets. With more pullets entering the flock, egg production in third-quarter 1984 was probably up 1 to 3 percent from last year's 1,399 million dozen. During the fourth quarter, production may increase 2 to 4 percent from 1983's 1,419 million dozen.

In August, the number of layer chicks hatched was 13 percent above a year earlier. Because pullets to be added late in 1984 will still be in the flock

during first-half 1985, production during that period will probably be 2 to 4 percent above 1984's 2,809 million dozen eggs. Output gains may slow in second-half 1985, increasing up to 2 percent from 1984.

During the third quarter, prices of eggs likely averaged 70 cents a dozen, down from 1983's 74 cents. Egg prices usually strengthen in the fourth quarter; however, with increased production likely, they may average 68 to 72 cents, sharply below 1983's 91 cents.

With supplies increasing in 1985, egg prices will likely average 67 to 71 cents, down from 80 to 84 cents this year. [Allen J. Baker (202) 447-8636]

•Dairy

After 3 consecutive years of increases, Government purchases are being reduced. They are declining because commercial sales are up and milk production is down. Net removals of dairy products under the price-support program during January-August equaled 7.8 billion pounds of milk, delivery basis, down 6.1 billion (44 percent) from the same period in 1983. For 1984, Commodity Credit Corporation net purchases are expected to equal about 8.5 billion pounds of milk (fat-solids basis), compared with last year's 16.8 billion.

Sales of all milk and dairy products during January-July rose 3.5 billion pounds, or 4.5 percent on a daily average basis. Even with no gains in sales for the rest of the year, commercial disappearance would be up about 3 percent. However, some additional gains appear likely because of higher incomes and more dairy product promotion. For all of 1984, commercial sales are expected to be up 3 to 3.5 percent. In 1985, sales are projected to be up 1 to 4 percent.

Milk production during January-August was down 2.1 billion pounds, 2.7 percent on a daily average basis. For the rest of this year, cow numbers are expected to decline slightly while the drop in output per cow slows. Thus, milk production is likely to decrease at an annual rate of about 4 percent. Production for 1984 is expected to total 135.8 billion pounds, a drop of 4.2 billion (3 percent) from 1983. This year's production decline is not only because of the paid diversion program, but also because of lower milk prices, the 50-cent deduction, higher

grain and hay prices, and improved returns to nondairy farming enterprises. Next year, production should be within 1 percent of 1984's.

Milk prices received by farmers in August were below a year earlier. However, the shortfall was only about one-third that in April. Milk prices this fall are expected to move above year-earlier levels. However, prices for the year will still average below 1983. The all-milk price will probably average about \$13.35 per cwt, down from last year's \$13.57. In 1985, assuming lower support prices on April 1 and July 1, the all-milk price may be unchanged to 80 cents lower than in 1984.

Wholesale spot prices for butter and cheese have moved higher since May. The Bureau of Labor Statistics wholesale price index for all dairy products in August was 251 (1967=100), 0.2 percent above a year earlier and up 0.8 percent since May. For the rest of this year, the index will probably be above a year earlier, bringing the annual average close to 1983's.

In the next month or two, retail prices of dairy products likely will reflect the recent advances in wholesale spot prices. Retail dairy prices are expected to be up about 1.4 percent in 1984, and unchanged to 2 percent higher in 1985. [Clifford M. Carman (202) 447-8636]

CROP HIGHLIGHTS

•Wheat

The 1984 U.S. wheat crop, at 2.57 billion bushels, is expected to be the third largest in history. It looked like the spring wheat crop was deteriorating somewhat this summer, but USDA's September estimate revealed a record-high yield of 35.2 bushels an acre.

This year's crop will push the 1984/85 supply to the largest ever—just under 4 billion bushels. However, the prospect that disappearance will also climb to an alltime-high 2.59 billion bushels means that yearend stocks will be down modestly for the second straight year. Three-fourths of ending stocks will probably be isolated from the market in the farmer-owned reserve and

Commodity Credit Corporation inventory, leaving free stocks at the second lowest level in more than 10 years.

Because of larger world demand, especially from the Soviets, and reduced exportable supplies in many large exporting countries, U.S. exports are expected to rise about 100 million bushels from last season, to 1.53 billion, making 1984/85 the second most active export season. Improved demand could push wheat prices higher, but because the 1984 loan rate is lower (\$3.30 a bushel, compared with \$3.65 in 1983), the season-average farm price will likely be above the loan rate, but below the 1983/84 price of \$3.54 a bushel.

World wheat production is forecast at 500 million metric tons for 1984/85, up 11 million from last year. The forecast for foreign production, at 430 million tons, was raised almost 7 million in September, principally because of sharply higher yield prospects in the European Community (EC).

Production in the major foreign exporters is projected to total 119 million tons, slightly below a year earlier. But, the forecast was raised 6.3 million tons (10 percent) in September, again because of revisions in the EC. Production estimates for the EC rose to more than 72 million tons, 22 percent above last year. Although there were revisions in most EC countries, the major changes were for France and the United Kingdom—up 4 million and 1.6 million tons, respectively. In both cases, the increases were because of improved yields.

Production among the major importers is expected to be up 5 million tons from 1983/84, with China and Eastern Europe accounting for most of the increase. But, the forecast for Soviet wheat production has been lowered to 78 million tons, equaling last year's harvest.

World wheat trade is placed at a record 103 million tons (excluding intra-EC trade) in 1984/85, up slightly from last year. The projections for Canadian wheat exports have been lowered because of a drought-reduced crop. Because of poor planting conditions in Argentina, harvested area is expected to be down 17 percent from 1983/84 and the export forecast has been reduced. [Allen Schienbein (202) 447-8444 and Jim Cole (202) 447-8857]

•Rice

The 1984/85 rice crop is estimated at 136 million cwt—a 37-percent increase over 1983/84. Harvested area, at 2.8 million acres, is forecast to be up 30 percent from a year earlier, and unexpected record yields of 4,880 pounds an acre will provide another 6-percent boost to production. Total rice supplies for 1984/85 are estimated at 184 million cwt, almost 13 million more than 1983/84. Long grain rice is expected to comprise about 60 percent, or 111 million cwt, of total supplies.

Rice carryover is likely to rise to 54 million cwt at the close of this season. The September forecast for 1984/85 season-average farm prices is \$8 to \$9 per cwt. For the first time in 4 years, the long grain carryover may exceed that of medium and short grain, a result of a gradual shift to long grain production, more use of high-yielding varieties, and a generally weak outlook for long grain demand.

The 1983/84 season ended with farm prices averaging \$8.50 per cwt. Rice exports rose to 70 million cwt, up 2 percent from 1982/83, but domestic use declined to 50 million cwt. Total use is estimated at 125 million cwt, including 5 million residual. Carryover stocks fell just short of 47 million cwt on July 31, 1984.

World milled rice production for 1984/85 is forecast at 307.5 million tons, up 1 percent from last year. Weather has been generally favorable throughout Asia, with record or near-record production anticipated for the major foreign producers and exporters. Japanese production may be 1 million tons higher than the last 2 years.

Global rice trade has been larger than expected this summer, and calendar 1984 trade may total 12.4 million tons. In 1985, global trade may decline to 11.9 million tons, primarily because of smaller purchases by India, Bangladesh, Japan, Mexico, and Brazil.

Prospective calendar 1984 and 1985 U.S. exports have been raised 200,000 tons to 2.2 million. World prices substantially below the U.S. price continue to limit exports, despite large concessional sales. [Barbara C. Stucker (202) 447-8444 and Gerald Rector (202) 447-8912]

•Feed Grains

The September Crop Production report confirmed that the corn crop had been damaged by hot, dry weather in August. Conditions on September 1 put the corn crop at 7,552 million bushels, down 116 million from the August estimate. Damage occurred in Nebraska, Minnesota, Iowa, Missouri, Illinois, Wisconsin, and Michigan, with the most in Missouri where estimated yields dropped from 90 to 78 bushels an acre.

The reduced yields in these States were largely offset by improved yields in Indiana, Ohio, Pennsylvania, New York, and North Carolina. The estimate of average U.S. yields dropped from 107.9 bushels an acre in August to 106.3 in September.

Corn use during late August and September was not sufficient to retrigger corn reserve V, and 1983/84 ending stocks are now estimated at 713 million bushels. Around 85 percent of the 1983/84 carryover stocks will be tied up in the farmer-owned reserve and Commodity Credit Corporation (CCC) inventory.

In September, the supply forecast for 1984/85 rose 10 million bushels to 8,266 million. But the possibility of increased exports raised total disappearance 50 million bushels to 7,250 million. Consequently, expected 1984/85 carryover stocks dropped to slightly over a billion bushels. About 655 million bushels likely will be tied up in the reserve and CCC stocks, leaving free stocks of 361 million bushels—up sharply from this year but still on the tight side. This tightening of free stocks is expected to firm up prices somewhat.

World coarse grain production for 1984/85 is estimated at 785 million tons, down marginally from a month earlier, but up 14 percent from last year. Foreign production in 1984/85 is about even with a year earlier, although still 5 percent above 1982/83. However, in September, major revisions were made for the estimated production of many countries.

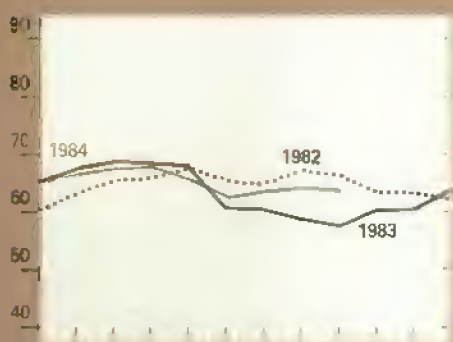
Soviet production estimates were lowered again in September because of pessimistic harvest reports recently carried in the Soviet press and a reduction in the area estimate. Output was lowered 3 million tons to only 86 million, down 19 million from last year.

Commodity Market Prices: Monthly Update

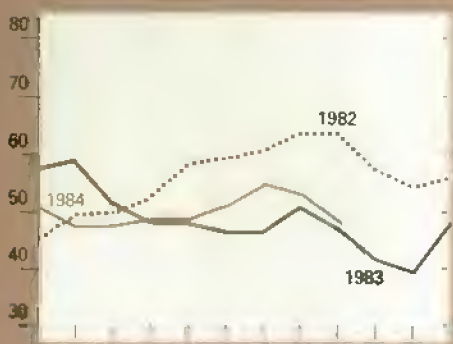
Choice steers¹



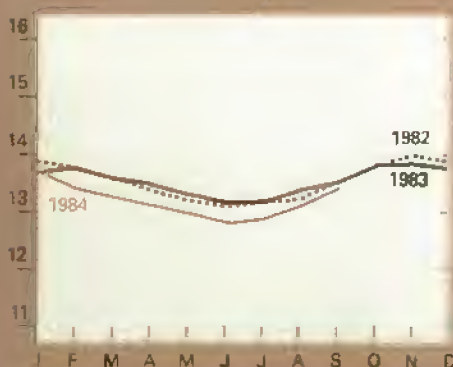
Choice feeder cattle²



Barrows and gilts³

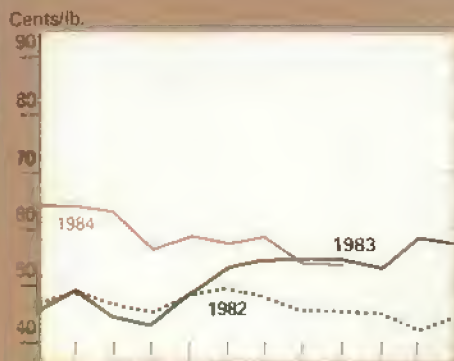


All milk

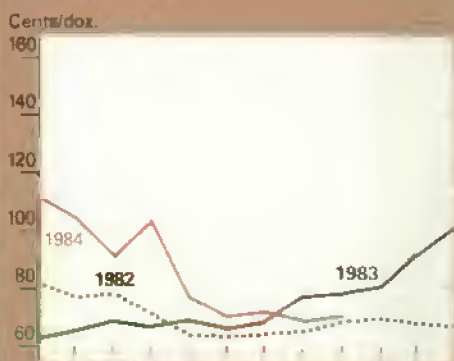


Prices for most recent month are mid-month prices.
¹Omaha 2600-700 lbs., Kansas City. ³7 markets

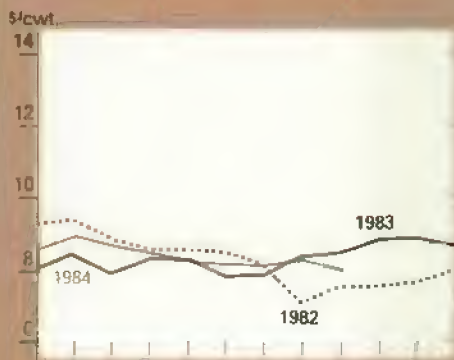
Broilers⁴



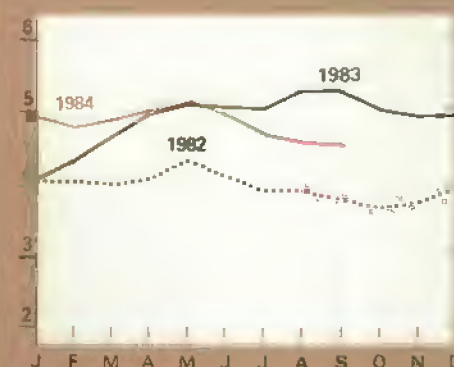
Eggs⁵



Rice (rough)

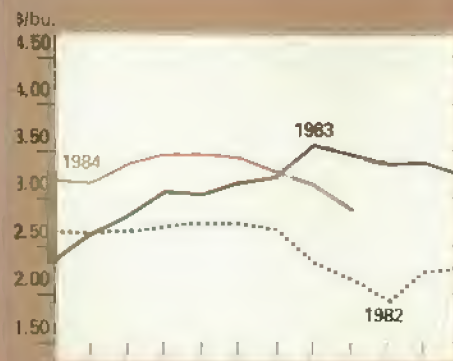


Sorghum grain



⁴Wholesale, New York. ⁵Grade A Large, New York.

Corn⁶



Soybeans⁷



Wheat⁸



Cotton⁹



⁶No. 2 Yellow, Chicago. ⁷No. 1 Yellow, Chicago.
⁸No. 1 HRW, Kansas City.
⁹Average spot market, SLM, 1-16."

Production gains were noted for several countries, with the largest in the European Community (EC), where production was raised about 3 million tons. Of the increase, most was in French and German barley. On balance, the forecast for production among the major foreign exporters increased slightly to 63 million tons, while major importer production estimates were increased 2 million tons to almost 267 million.

World coarse grain trade is estimated at 98.4 million tons (excluding intra-EC trade), compared with the 95.6 million tons forecast in August. The bulk of the month-to-month increase was in the Soviet Union, where coarse grain imports are forecast at 21 million tons for 1984/85, up 3 million from August and almost 8 million above 1983/84. In spite of the dramatic increase in prospective EC coarse grain production, French corn production fell slightly, which may increase corn import prospects in 1984/85.

Estimated trade of several of the major foreign exporters has risen in recent months. With larger wheat and coarse grain production, EC nations are likely to increase their exports. Coarse grain exports from the Community will likely be so large in 1984/85 that the region for the first time will be a net exporter of coarse grains, with the estimated difference being about 1 million tons. In addition, the Thai export forecast (reflecting a larger-than-expected coarse grain crop) was raised in September by about 200,000 tons to 3.4 million. However, the Canadian export forecast has been reduced by another 500,000 tons, a total reduction of 2.5 million since July. [Larry Van Meir (202) 447-8776 and Jim Cole (202) 447-8857]

•Oilseeds

Central Illinois soybean prices averaged \$6.46 a bushel in August, and prices declined to under \$6 a bushel in late September. Larger-than-expected soybean stocks of 175 million bushels reported in late September confirmed a larger soybean supply for this past year and contributed to recent price weakness. Also many analysts had expected a new-crop production estimate below 2 billion bushels, but USDA reported the 1984 crop could reach about 2.03 billion. The estimate suggests

that drought damage may not be as extensive as previously expected. Exports in 1983/84 totaled 740 million bushels, about 20 million below August projections.

Soybean meal prices (44 percent Decatur) averaged \$151 in August and were below \$145 in late September. The soybean meal market is expected to remain soft through the first half of 1984/85, but use has accelerated recently. Weak demand for soybean meal could limit the 1984/85 crush to near 1 billion bushels—up slightly from 983 million in 1983/84. Soybean meal prices are expected to average \$145 to \$165 a ton in 1984/85. However, prices could be in the low \$140's at harvest.

Soybean oil prices were strong throughout 1983/84. Prices averaged 28.9 cents a pound in August, and were 26.6 cents on September 24. Domestic use in 1984/85 is forecast to rise only slightly to 9.7 billion pounds from the 9.65 billion estimated in 1983/84. Presently, strong oil prices are holding up crush margins, and a recovery in meal demand will be necessary before crush increases enough to reduce oil prices significantly.

The world oilseeds and products sector in 1984/85 will be dominated by record oilseed production, lower prices, poor protein meal demand, and continued relatively tight edible oil supplies. World 1984/85 oilseed production is estimated at almost 186 million tons, up 21.6 million from the preliminary 1983/84 forecast. Although total oilseed production is unchanged from August's forecast, various oilseeds have shown some very small changes.

U.S. soybean prospects in 1983/84 totaled around 20.15 million metric tons, down 4.5 million from last year. Weak demand in many countries, high early season prices, and larger Argentine supplies were the main reasons for the decline. Not only was Argentina's soybean crop up sharply from 1984/83, but more soybeans (versus meal and oil) were also exported. U.S. export prospects for 1984/85 are expected to be improved from 1983/84, up perhaps 1.6 million tons.

However, prospects for U.S. soybean meal exports continue bleak. Continued sluggish foreign meat production and ample quantities of other protein

meals will keep U.S. meal exports well below 1982 and 1983, despite lower prices.

Demand for edible oils will continue to carry the oilseed sector. Vegetable and marine oil production may be up 6 percent from 1983/84. While the larger production will lead to lower prices, weak meal demand and lower carryin stocks of oil will keep oil prices relatively high. U.S. soybean oil exports may decline 15 percent from 1983/84 because of gains in domestic use and more attractive competitor prices. [Roger Hoskin (202) 447-8776 and Gerald Rector (202) 447-8912]

•Cotton

The September Crop Production report forecast cotton yields at 615 pounds an acre, 25 pounds above the previous record. Because of excellent weather in the Cotton Belt, the pre-season production estimate of 11.5 million bales has now been raised to 13.3 million.

The mill use estimate of 5.5 million bales is unchanged from August. Slower economic growth and rising textile imports are each expected to reduce U.S. mill use by about 200,000 bales from 1983/84's 5.9 million.

World cotton production is expected to reach a record 76.3 million bales in 1984/85, up 13 percent from last year. The United States accounts for most of the increase, recovering from last year's drought- and PIK-reduced crop. Gains are also expected in Pakistan, Brazil, and Mexico, while China's production is expected to equal the 1983/84 record. However, foreign production estimates were revised downward 0.5 million bales from August because of lowered prospects in the Soviet Union, India, and Mexico.

World mill use is expected to increase only about 2.3 percent to 70.3 million bales. China, Pakistan, and the Soviet Union account for most of the increase. Global stocks should rise sharply this year, absorbing almost 80 percent of the production gain. Stocks in China will grow the most.

World trade in 1984/85 is expected to increase about 3.6 percent to 19.7 million bales, with U.S. exports falling 0.7 million bales to 6.1 million. Although

increased supplies and heightened competition threaten U.S. exports, early season indications put the U.S. share of world trade at 31 percent. Because of declining U.S. prices and readily available cotton for export, export commitments are quite high.

Shipments to date, plus outstanding sales, already equal 3.9 million bales. This is 64 percent of the 6.1 million total currently forecast. By contrast, over the past 3 years, commitments for this date equaled only about 50 percent of final exports. Therefore, the forecast 31-percent share for world exports should be in reach, down from 1983/84's unusual 36 percent. However, as competitors' supplies begin to enter the market this fall, the rate of new export commitments is expected to decline. *[Terry Townsend (202) 447-8444 and Donnel O'Flynn (202) 382-9820]*

• **Peanuts**

According to the September *Peanut Stocks and Processing* report, 1984/85 carryin stocks were 611 million pounds, down nearly 30 percent from a year ago. But the lower stocks will be more than offset by record 1984 production of over 4 billion pounds—the result of a record yield of 2,784 pounds an acre from a harvested area of over 1.5 million acres, the most since 1955.

The report showed a slight decline in domestic edible use in 1983/84, based on farmer stocks. The decline occurred mainly in roasting stock use. Use in peanut candy, salted peanuts, peanut butter snack sandwiches, peanut butter, and other products was up slightly from a year earlier. Peanut exports in 1983/84 continued to recover from their 1980 drought-reduced level, and reached 744 million pounds. *[Duane Hacklander (202) 447-8776]*

• **Tobacco**

As of September 1, U.S. tobacco output was forecast at 1.74 billion pounds, climbing 22 percent from 1983. Both acreage and yields are higher. Better growing conditions improved leaf quality; despite large supplies, prices at flue-cured auctions are averaging a little higher than last season.

The tobacco supply for 1984/85 is forecast to rise about 4 percent to 5.52 billion pounds, with burley accounting for most of the rise. Flue-cured supplies

are down, however. Total tobacco stocks going into the new marketing year (July 1 for flue-cured and cigar-wrapper types and October 1 for all others) likely equaled 3.79 billion pounds, only about 1 percent lower than a year earlier.

Based on State data, the 1984 flue-cured crop is expected to total 856 million pounds, up 4 percent from last year. However, beginning stocks on July 1 were down 2 percent. Total supply is 3.02 billion pounds, about 1 percent below last year, but still almost 3-1/2 years' use. During 1983/84, both exports and domestic use declined. Use in 1984/85 may decline further from last year's 894 million pounds, despite an expected increase in exports. Ending stocks may decrease another 2 percent.

Flue-cured sales began July 25. By September 14, growers had marketed about 55 percent of their crop, with 15 percent going under loan. Despite a bigger crop, large supplies, and unchanged price support, the improved quality of this year's crop has boosted prices. Sales through September 14 averaged \$1.78 a pound, about 1 percent above the previous year. With larger production, cash receipts will rise.

This year's burley crop is expected to increase sharply from 1983's drought-reduced outturn. Even with the reduced 1983 crop, ending stocks on September 30 were higher than last year. The 1984/85 supply is about 12 percent larger than this year's, representing about 4 years' use and providing considerably more than adequate stocks. Larger crops are also forecast for Maryland, fire-cured, dark air-cured, and cigar types. *[Verner N. Grise (202) 447-8776]*

• **Fruit**

As of September 1, noncitrus fruit production was forecast at 12.5 million tons, down slightly from 1983 because of a smaller grape crop. The pear crop will be 11 percent smaller, while the apple crop will be only slightly larger.

Smaller supplies of citrus fruit are also likely because of the December freeze, which damaged citrus trees in Florida and Texas. The effect of the infestation of citrus canker in Florida is yet to be determined. With the continued strong economy, demand for fruit will likely continue to rise, keeping fruit prices above a year earlier.

Apple supplies for the fresh market may be slightly less than last season because of a smaller crop from Washington State. Domestic demand for fresh apples should remain strong if the 1984/85 citrus crop remains small. Processor demand for this year's apple crop looks promising in view of strong demand for canned apple items and reduced stocks. However, the export outlook for 1984/85 is not encouraging because of the strong U.S. dollar and a reported larger crop in Western Europe.

With only a slightly larger U.S. crop and rising demand in the domestic market, apple prices will likely remain above last year's. Grower prices for fresh apples this season have been above a year earlier every month since August 1983. The September 1984 price, at 20.7 cents a pound, was 15 percent higher than a year earlier.

Despite a smaller California grape crop, use of table grapes for the fresh market may be larger this year because the market for competing uses of multipurpose varieties, particularly Thompson Seedless, is expected to be weak. The weak market is generally attributed to larger inventories of raisins, increased imports of foreign wines, and slower growth in wine sales. Nevertheless, prices may remain firm because demand for fresh table grapes is rising.

F.o.b. prices of California fresh Bartlett pears at shipping points have been generally above a year earlier. Even with a larger California crop, prices are expected to be steady.

Packer demand will rise because of depleted canned pear carryover stocks, and smaller Bartlett crops from Oregon and Washington will boost prices late in the season. The field price in the Northwest stands at \$187.50 a ton (cash price) for No. 1 size Bartletts, compared with last year's cash price of \$122.50 and a deferred price of \$130. *[Ben Huang (202) 447-7290]*

• **Vegetables**

The contracted production of processing vegetables in major States for 1984 is forecast at 11.2 million tons, up 11.5 percent from 1983. Snap beans, green

peas, sweet corn, and tomatoes are expected to be up 1.2 million tons in 1984 because of a 7.7-percent increase in harvested area and a 3.6-percent average increase in yields. California tomato yields are 5.5 percent above last year.

Michigan, Minnesota, and Wisconsin are the principal producers of processing snap beans, green peas, and sweet corn. Contracted production in these three States gained 14 percent over 1983 because of a 6-percent improvement in yields and a 7-percent expansion in acreage. The Northeastern and Mid-Atlantic States had the largest production in 3 years because of sharp increases in acreage and yields, despite early warnings of weather-reduced yields.

Increased imports are expected to hold down prices for canned mushrooms and canned tomato products. An estimated 33-percent increase in canned mushroom imports, offset by a forecast 10-percent drop in domestic product sales, will raise the foreign market share of U.S. canned mushroom consumption from 55 percent in 1982/83 to 64 percent in 1983/84.

Imports of canned tomato products are estimated to be up 56 percent in 1983/84. Imports of Italian canned tomatoes, one-third of the canned tomatoes entering the United States, were up 50 percent from October 1983 to July 1984 compared with a year earlier. The total 1983/84 increase in imported vegetable products is related to the strong U.S. dollar, increased world production, and sporadic domestic supply interruptions. The current prospects for increased U.S. and foreign production of mushrooms and tomatoes suggest continued downward pressure on domestic prices.

The total 1984/85 crop of summer storage onions (excluding California onions) is forecast at 20.8 million cwt, slightly above the 1982 crop and 8 percent above 1983. The 8-percent increase is the combined effect of a 1.7-percent improvement in yield and a 6.7-percent expansion in acreage. Bad weather helped hold down summer storage onion yields in the major States.

In Colorado, Idaho, and New York, which have 67 percent of the total fresh-market onion crop, the forecast average yield of 362 cwt per acre is 8 percent lower than 1982's three-State

average of 393 cwt and only 3 percent higher than the low 352 from last year. Acreage was expanded in response to high grower prices for onions during the first half of 1984. The monthly average grower price for onions has dropped since July and likely will continue to fall during peak harvest.

The September 1 forecast of the dry bean crop, at 20 million cwt, was up 4 percent over the August estimate. Improved field conditions in Michigan and Nebraska account for this gain. Average grower prices for dry beans dropped to around \$21 per cwt in August, as prices for the major varieties (pinto, navy, and Great Northern) ranged from \$3 to \$11 below last August's prices. The larger 1984 harvest, 29 percent above last year, will keep prices trending downward.

Sweetpotato growers expect to harvest a crop of 13.3 million cwt, about 10 percent more than in 1983. In September, grower prices averaged \$11.30 per cwt, 2.7 percent higher than last September. Third-quarter 1984 prices likely fell to \$9 to \$11 in response to larger supplies. [John Love and Barbara Peacock (202) 447-7290]

• Sugar

On September 14, USDA announced a new sugar import quota of 2.55 million tons, raw value, for fiscal 1984/85. This quota, 0.5 million less than for 1983/84, primarily reflects the downward trend in domestic sugar use in favor of high fructose corn sirup (HFCS). U.S. sugar consumption in 1985 may be down 300,000 tons, raw value, from an estimated 8.55 million in 1984 and 8.9 million in 1983.

In first-half 1984, strong economic growth spurred demand for sweetened products, and sugar use in commercially prepared foods rose 4.2 percent over the same period last year. Sugar use was also up 5.9 percent in bakery and cereals, 8.1 percent in confectionery, and 4.5 percent in dairy products. However, because of substitution of HFCS for sugar in beverages, overall U.S. sugar deliveries were down 3.2 percent from first-half 1983. Sugar in beverages for the first half of 1984 fell nearly 25 percent from last year.

A new market stabilization price (MSP) took effect October 1. Applicable to the 1984-crop loan program, the new MSP of 21.57 cents a pound, raw sugar, would be up from 21.17 cents in fiscal 1984. This reflects the announced higher loan rate of 17.75 cents a pound.

The September Crop Production report estimates 1984-crop sugarbeet production at 22.6 million tons, up marginally from last month; sugarcane for sugar and seed is estimated at 26.5 million tons, down less than 1 percent from last month's estimate.

U.S. raw sugar output in 1984/85 is estimated at 5.7 million tons, based on average sucrose recovery. Beet sugar output is estimated at 2.9 million tons, raw value, up 9 percent from the previous season. California's estimated harvested area of 200,000 acres is 18 percent above last season's poor-weather acreage. Raw cane sugar production is forecast to fall 4.4 percent from 1983/84, to 2.8 million tons.

The U.S. price for raw sugar (c.i.f. duty/fee-paid, New York) averaged 21.7 cents a pound in September, about the same as in August, and down from the steady 22-cent average in the previous few months. Prices softened in response to abundant quota sugar due for import, rising U.S. production in 1984/85, and increased imports of sugar blends and mixtures. Discounts on wholesale sugar prices increased in August. Some Chicago-West market sugar sold for as low as 25 cents a pound, compared with 30-cent list prices.

Retail sugar prices averaged 35.8 cents a pound in August, about the same as in July, but slightly below the January-June average of 36.5 cents. August wholesale refined HFCS prices were about the same as July's, and 3 to 8 percent higher than June's, depending on HFCS type and market area.

The world price of raw sugar, (f.o.b. Caribbean) averaged 4 cents in September, the same as in August. World prices averaged 8.5 cents a pound in 1983. Greater world sugar surpluses are expected in 1984/85, and so prices will likely continue depressed over the next several months. [Robert D. Barry (202) 447-8666]



World Agriculture and Trade

WORLD DAIRY OUTLOOK

Following several years of substantial increases, global milk production is expected to drop in 1984 and 1985 because of new supply control measures introduced by some major producers, especially the European Community (EC) and the United States.

Milk production in 37 major producing countries is expected to total around 408 million metric tons (900 billion pounds) in 1984, down more than 800,000 tons from 1983. While this is only a 0.2-percent decline, it follows increases of 2 and 4 percent in 1982 and 1983 (a total of 23 million tons). Most of 1984's lower production will come from sharp cutbacks in the EC and the United States, the world's largest and third largest producers. Production in the other 26 countries is expected to advance 3 million tons (1.3 percent), and to be led by the USSR.

U.S. Diversion Program Lowers Output

U.S. milk production in 1984 is expected to decline around 3 percent from last year's record 63.5 million tons. This year's production decline is partly because of the paid diversion program, but it is also because of lower milk prices, the 50-cent deduction, higher grain and hay prices, and improved returns to nondairy farming enterprises. While output per cow will likely decline about 0.6 percent because of reduced concentrate feeding and other

management changes, the bulk of the expected drop in production will come from reduced cow numbers, down an average of 2.4 percent. The dairy cow herd in August was 2.7 percent less than a year earlier and 3 percent below last November's peak.

The U.S. dairy herd is forecast to begin 1985 around 3 percent below this year. Any gains in 1985 will be limited by expected lower support prices. However, lower feed prices may lead to increased concentrate feeding. This, along with a more productive herd from the culling of less efficient cows, may lead to a 1- to 2-percent gain in output per cow. There was an average 2 percent a year gain during 1980-83.

The EC Cracks Down on Production

EC milk output has increased an average of 2.1 percent a year since 1970, with 1983's output up 3.8 percent. However, the increases have come to an end with the enactment of a supply control program.

While the program has a multitude of provisions, the main one is a 5-year quota on deliveries to dairies—99.2 million tons in 1984/85 and 98.4 million for each of the next 4 marketing years. The quotas will be enforced via a "superlevy" on over-quota deliveries, 75 or 100 percent of the target price depending on how the quotas are established. The 1984/85 quotas vary by country, but they add up to around 4 percent less than the deliveries in 1983. The cutbacks will be the sharpest in West Germany, the United Kingdom, and the Netherlands. Ireland, Italy, and Greece are allowed a slightly larger output than in 1983/84.

The EC has issued an array of rules, but many of the basic operating guidelines have been left up to each member country. The establishment of these guidelines, however, has been an administrative nightmare. For example, the EC allows each country to provide for special treatment for farmers who suffered serious natural disasters, disease outbreaks, theft of livestock, and other specific problems during the base period (1981 or 1983). In the United Kingdom, over half of the farmers have applied for this special treatment, and a deluge of applications have been filed in many other countries.

It is still uncertain how well EC producers will meet the required cutbacks. During the first quarter of 1984/85 (April-June), deliveries were down less than 1 percent from a year earlier, although June was down more than 2 percent. A reduction of 4 percent is needed for the year.

The largest decline was in the United Kingdom, but very dry weather would probably have reduced production substantially anyhow. French production, on the other hand, was up 2 to 3 percent in the first quarter and almost 2 percent in June; to meet the 1984/85 quota, a 2-percent decline is needed.

While cow slaughter is up in many countries (especially the United Kingdom), many producers have reduced their deliveries by cutting concentrate feeding and feeding more whole milk to calves. Apparently, many producers are waiting to see what their first over-quota assessment will be before they make drastic adjustments. For many, meeting the 1984/85 quotas will require a huge cow slaughter and double-digit declines in milk deliveries this fall and winter.

EC milk production in 1984 is expected to be about 2 million tons (1.8 percent) below 1983's 112.3 million. However, given the uncertainty about delays in issuing rules and collecting superlevy assessments, there is room for considerable error in the estimate. The United Kingdom, the Netherlands, and West Germany are expected to show the sharpest declines.

EC production will likely have another 3-million-ton decline in 1985, as producers are forced to meet the mandated cutbacks. To help meet the quotas, some countries will use "golden handshakes"—paying producers to go out of business. France seems to be relying largely on this method to achieve the mandated cuts.

EC Cuts To Affect Other Commodities

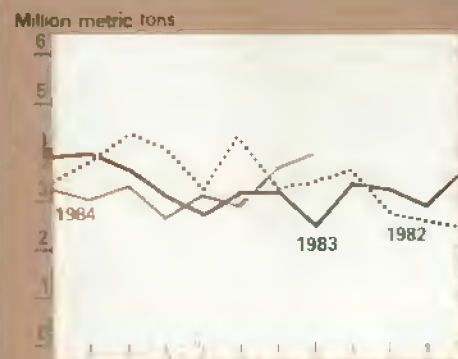
The EC's reduced milk production will not only affect the world dairy market, but also the world markets for feedstuffs and meat. Reduced concentrate feeding and larger EC grain and oilseed production may have a substantial impact on world trade in corn byproducts, soybeans, and soybean meal.

U.S. Agricultural Trade Indicators

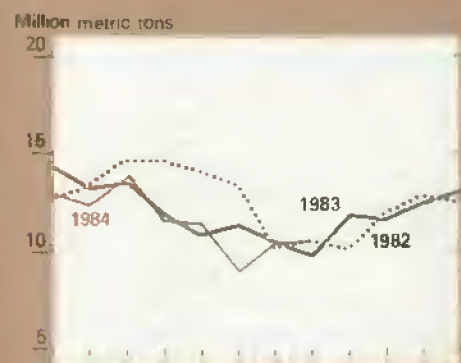
U.S. agricultural trade balance



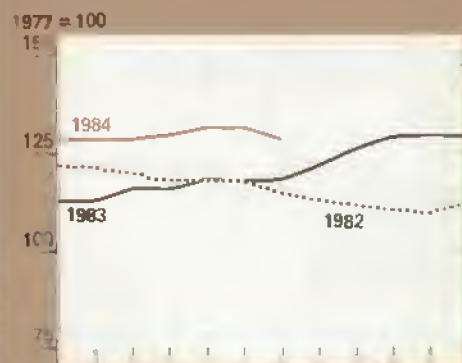
U.S. wheat exports



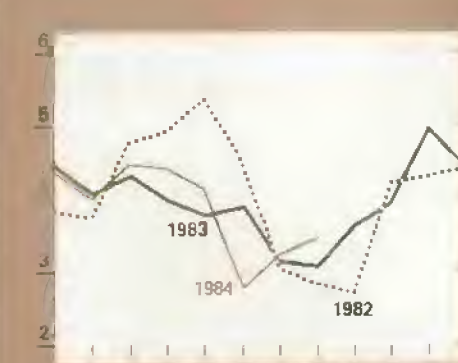
Export volume



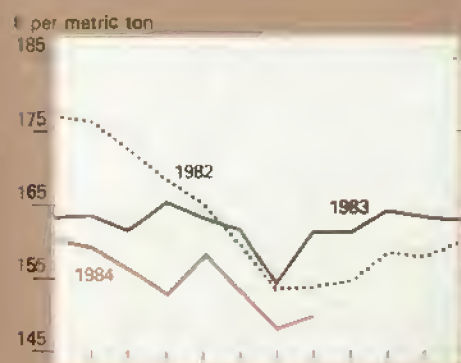
Export prices



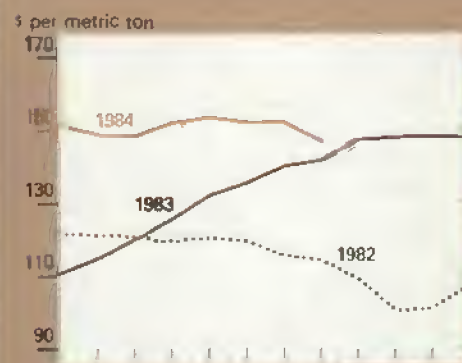
U.S. corn exports



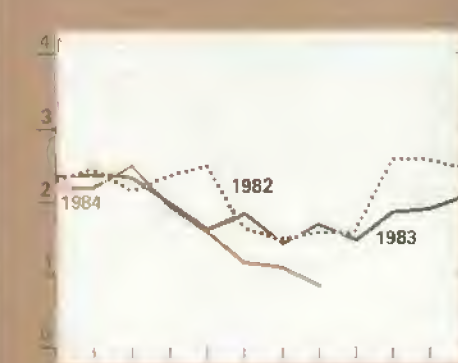
Wheat export unit value*



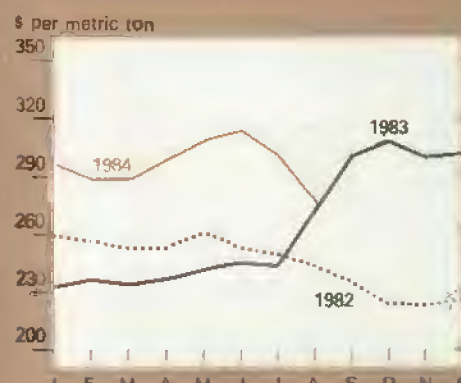
Corn export unit value*



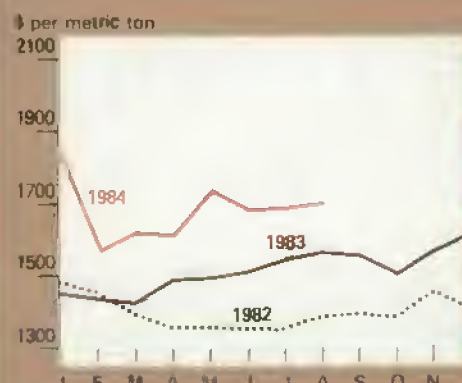
U.S. soybean exports



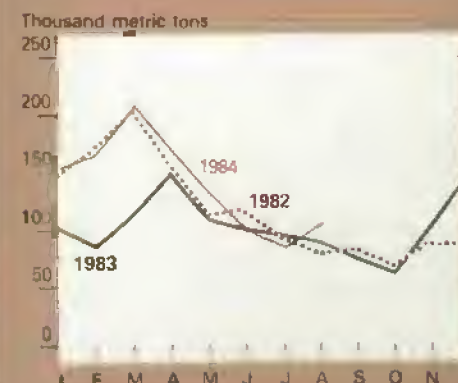
Soybeans export unit value*



Cotton export unit value*



U.S. cotton exports



*Value of U.S. exports divided by volume exported. Data on the wheat, corn, soybean, and cotton exchange rates are now included in the U.S. Agricultural Trade tables at the back of this issue.

Global Cow Milk Production Starts To Decline

	1982	1983 ¹	1984 ²	1985 ²
	Million metric tons			
United States	61.6	63.5	61.6	61.8
Canada	8.3	8.1	8.1	8.1
Argentina	5.7	5.3	5.3	5.3
Brazil	10.1	10.7	10.5	10.5
France	27.4	27.9	27.9	27.1
Germany, F.R.	25.5	26.9	26.6	25.2
United Kingdom	18.7	17.3	16.2	18.0
EC-10	108.2	112.3	110.3	107.2
Poland	15.3	15.9	16.4	15.7
USSR	91.0	96.4	97.5	99.0
India	14.9	18.0	16.3	16.7
Oceania ³	12.2	12.6	13.3	13.1
Other	66.5	68.1	68.7	69.3
Total ⁴	393.7	408.9	408.0	406.6

¹ Preliminary. ² Forecast. ³ Australia and New Zealand. ⁴ Total may not add due to rounding.

Meanwhile, if milk producers increase cow slaughter sharply in the coming months, as expected, EC beef production should be up 450,000 tons (6.5 percent) in 1984. Since the EC cannot absorb this large an increase, it will try to export it. This could substantially hurt beef exporters, such as Australia, New Zealand, Argentina, and Brazil.

Soviet Output Up Again

Milk production in the USSR is expected to be up 1.1 million tons, following a gain of 5.4 million last year. The 1983 rise was achieved through remarkable gains in output per cow brought on by ample quantities of excellent quality fodder and forage.

While forage and fodder supplies this year compare favorably with any recent year except 1983, the quality is down from last year. Thus, with no increase in cow numbers expected, output gains will be limited. While much depends on next year's forage and fodder crops, 1985 milk production is expected to reach 99 to 100 million tons.

Other countries expected to show sizable gains in 1984 milk production are India, Poland, Australia, and New Zealand. In Poland, favorable feed supplies and better prices for milk than beef are projected to lead to a 0.5-million-ton increase in milk production.

For Oceania, good weather and pastures, along with increased cow numbers in New Zealand, are reasons behind a 6-percent increase in milk production. After declining for more than a decade, Australia's milk production has gained 15 percent since 1981.

Overall World Output To Continue Up in 1985

The 26 countries (excluding the EC and United States) are expected to increase output 1.5 million tons in 1985. Larger Soviet and Indian output will be partially offset by reductions in Poland and Australia. In Poland, government price supports favoring beef production should promote more milk feeding to calves, reducing the supplies available to consumers.

In Australia, the rapid increases in milk production have led to a substantial surplus of dairy products. However, a new marketing arrangement that gives greater weight to prices on the depressed international market is expected to reduce cow numbers and lower milk production in 1984/85.

Butter and NDM To Follow Milk's Downward Path

Butter production will likely decline around 1 percent in 1984 and 2 to 3 percent in 1985. As with milk, the EC and the United States will account for most of the decline. In the EC, lower milk production, a decline of more than 10 percent in the intervention purchase price, and a weak export market may lead to a 5-percent drop in butter production in 1984. A similar decrease is expected in 1985.

Butter has taken much of the increase in milk production in Australia and New Zealand—up 27 percent and 10 percent, respectively. Lower milk output should reverse this trend in 1985.

Nonfat dry milk (NDM) production is following much the same pattern as butter, although increased use of skim milk in other products, such as cheese, will cut into NDM production even more. EC output could drop 10 percent in 1984, followed by a 6-percent decline in 1985. U.S. production is expected to slip almost 20 percent in 1984, but only 7 percent next year. Output from Australia and New Zealand, however, is expected to jump 25 percent this year, before dropping 10 percent next year. Large stocks and an extremely weak export market will cause the cutback in 1985.

World stocks of butter have more than doubled in the past 2 years and were almost 1.5 million tons at the beginning of this year. The EC holds about two-thirds of the total. Despite lower butter production, EC stocks have continued to build and were over 1.2 million tons at the end of August. U.S. stocks on August 1, on the other hand, were down about 41,000 tons from a year earlier.

NDM stocks have shown much the same pattern, although the EC has kept their stocks partially in check via subsidized sales for livestock feeding and exports. Still, EC stocks will approach a million tons by the end of 1984, compared with 360,000 only 3 years earlier.

Even with reduced butter and NDM production in 1985, global exports (either commercial sales or donations)

Production Also Falls for Selected Milk Products

	1982	1983 ¹	1984 ²	1985 ²
	Million metric tons			
Butter				
United States . . . . .	.57	.59	.52	.50
Canada . . . . .	.13	.10	.11	.10
EC	2.06	2.28	2.17	2.05
India . . . . .	.65	.67	.69	.70
USSR	1.40	1.56	1.59	1.62
Poland . . . . .	.27	.30	.31	.28
Oceania ³ . . . . .	.32	.34	.39	.37
Other . . . . .	.96	1.01	1.02	1.02
Total⁴	6.36	6.85	6.79	6.64
Cheese				
United States	2.06	2.19	2.13	2.15
Canada . . . . .	.17	.21	.21	.21
EC	3.54	3.60	3.71	3.73
OWE ⁴ . . . . .	.64	.68	.69	.71
USSR . . . . .	.70	.74	.75	.76
Oceania ³ . . . . .	.27	.27	.25	.26
Other	1.40	1.39	1.40	1.42
Total⁴	8.78	9.08	9.13	9.24
Nonfat dry milk				
United States . . . . .	.64	.68	.56	.62
Canada . . . . .	.16	.12	.13	.12
EC	2.16	2.49	2.25	2.11
Poland . . . . .	.11	.15	.16	.12
USSR . . . . .	.39	.40	.41	.41
Oceania ³ . . . . .	.28	.26	.33	.30
Other . . . . .	.78	.85	.86	.91
Total⁴	4.52	4.95	4.71	4.48

¹ Preliminary. ² Forecast. ³ Australia and New Zealand. ⁴ Non-EC Western Europe. ⁵ Total may not add due to rounding.

must pick up substantially for any significant dent to be made in world stocks. High stocks will keep world butter and NDM prices depressed and will provide a major source of friction between the major exporters.

World butter prices are running about \$1,325 a metric ton, f.o.b., \$450 to \$550 below spring 1983. NDM prices are around \$660 a ton, with some exports at the General Agreement on Tariffs and Trade (GATT) minimum of \$600. NDM prices in spring 1983 were around \$800 a ton.

Cheese Bucks the Trend

Cheese is one of the bright spots in an otherwise bleak world picture for dairy products. Improved import demand, especially in the Middle East, and domestic demand in the major producing countries are leading to increased production.

Global output is expected to rise about 1 percent in both 1984 and 1985, led by gains in the EC. While U.S. butter production is forecast to drop 10 to 12 percent in 1984, cheese may be down around 3 percent. A small increase in U.S. production is expected next year. Some significant increases are also likely in non-EC Western and Eastern Europe.

World cheese stocks, while large, are declining and are expected to continue to fall in 1985. Unlike prices for butter and NDM, world cheese prices have remained fairly stable this year. However, they are \$450 a ton below spring 1983. (Gerald Rector (202) 447-8912)

Upcoming Economic Reports

Title	Summary Released
Oil Crops	Oct. 19
Inputs	Oct. 22
World Ag. Supply & Demand	Oct. 24
Vegetables	Oct. 25
Fruit	Nov. 8
World Ag. Supply & Demand	Nov. 13
Wheat	Nov. 15
Foreign Ag. Trade of U.S.	Nov. 16

Summaries are available on some computer networks on the dates indicated; the full reports are also released electronically 2 to 3 days later. For details on the summaries, call: (402) 472-1892; or (301) 588-1572. Full reports, text and tables, are provided by the system on (402) 472-1892.

Upcoming Crop Reporting Board Releases

The following list gives the release dates of the major Crop Reporting Board reports that will be issued by the time the November *Agricultural Outlook* comes off press.

October

16	Milk Production
18	Cattle on Feed
19	Livestock Slaughter
	Catfish
22	Eggs, Chickens, & Turkeys
	Cold Storage
23	Grain Stocks
	Rice Stocks
31	Egg Products
	Agricultural Prices

November

1	Poultry Slaughter
2	Dairy Products
6	Celery
9	Crop Production
13	Turkey Hatchery
14	Cattle on Feed
15	Sugar Market Statistics
16	Milk Production



Transportation

CHANGING PORT SHARES

The amount of exports shipped out of various ports depends on many factors: the quantity and location of foreign demand, U.S. production patterns, port capacity, and inland and ocean transportation. Of the major shipping points, Gulf ports handle most of the grain and soybean exports. Pacific ports have ranked second since 1979, when shares at Atlantic ports began to decline. Ports on the Great Lakes have shipped significantly less volume since 1978.

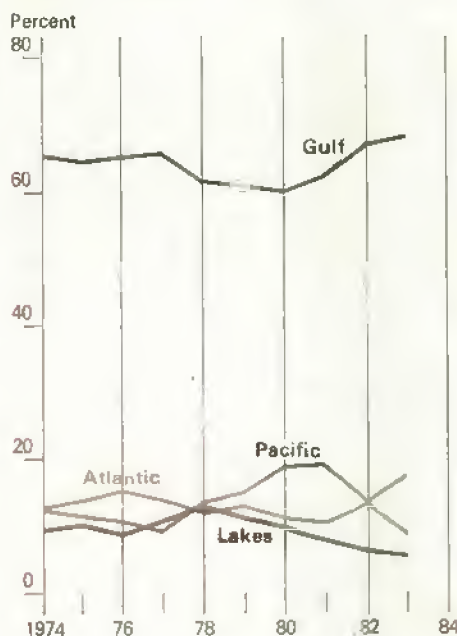
Changes in ocean freight rates appear to have affected volume at both the Pacific and Lake ports. Generally, the Atlantic, Great Lakes, and Gulf ports compete for exports moving east, especially to Europe. During the 1970's and early 1980's, ocean freight rates from the Great Lakes to Northern Europe were about double those from Gulf and Atlantic ports, where rates are nearly the same.

Gulf and Pacific ports compete for grain moving to the Far East, and rates have changed considerably over time. From 1970 to 1974, rates from Gulf and Pacific ports to Japan were about equal. But in 1975, rates from Gulf ports to Japan dropped to about one half those from Pacific ports, and remained lower through 1977. During this time, the Pacific share of total grain exports decreased from 13 to 9 percent. However, after 1978, when rates from the Gulf ports rose sharply, the Pacific share increased.

Gulf Ports

Since 1980, Gulf ports (Texas, Louisiana, Mississippi, and Alabama) have continued to dominate U.S. overseas grain shipping, increasing from 60 to 68 percent of total deep-water grain traffic. While total shipments of U.S. grains and soybeans declined, volume through Gulf ports rose in 1981 and 1982, and in 1983 fell only slightly to 2.9 billion bushels.

Gulf Ports Lead in Grain and Soybean Exports



Gulf ports account for 50 to 60 percent of wheat exports, 60 to 70 percent of corn, and 80 to 85 percent of soybeans. The Gulf is the dominant area because ocean freight rates are well below those from the Great Lakes and equal to those on the Atlantic coast. Equally important, the Mississippi River ports, which are included in Gulf ports, are connected with the major grain- and oilseed-producing areas of the Midwest via low-cost barge transportation. Accessible barge service keeps competition strong between barge and rail lines, and thus transportation rates low. Moreover, the Gulf port States accounted for 8 percent of the wheat produced in 1982 and 11 percent of the soybeans, meaning substantial volumes of these commodities are immediately available for export through these ports.

Atlantic Ports

Since 1980, U.S. Atlantic ports have accounted for 9 to 13 percent of grain and soybean exports. They compete with Gulf ports for export markets to the east. Although Atlantic port freight rates are normally competitive with Gulf rates to Europe, they are normally higher than Gulf port rates to Asia. When export growth is high, as it was from 1975 through 1981, the Atlantic ports help ease the congestion at Gulf ports.

In many instances, the relatively short distance between Atlantic ports and major grain-producing areas means an export shipment may be accumulated and shipped through an Atlantic port more rapidly than through a Gulf port. Atlantic ports account for 9 to 12 percent of soybean exports and 13 to 21 percent of corn exports. Because of their distance from major wheat-producing areas, the Atlantic ports account for only 5 to 6 percent of wheat exports.

Great Lakes Ports

The Great Lakes States are major grain producers. In 1982, they accounted for 46 percent of all corn, 10 percent of the wheat, and 39 percent of the soybeans harvested. Thus, the Great Lakes ports have ready access to grains and soybeans. During the early 1980's, the Great Lakes ports accounted for 5 to 10 percent of corn exports, 7 to 11 percent of wheat exports, and 3 to 9 percent of soybean exports.

Shipments from the area predominately travel to Northern Europe, but seldom to Asia. Distance alone does not explain either rates or shipping patterns. For example, Chicago is 470 nautical miles closer to Antwerp, Belgium, than is New Orleans, but ocean freight rates from the Great Lakes to Europe tend to be much higher than those from either Atlantic or Gulf ports.

The voyage through the Great Lakes and the St. Lawrence River takes longer, requiring passage through locks and restricted waters where only relatively slow speeds are possible. Also, tolls and fees are imposed on all

vessels steaming through Lake Ontario and the Welland Canal, with the exact rate depending on ship size and load. For a vessel with 25,000 metric tons of grain, the tolls and fees are about \$1 a ton.

Moreover, the depth of water in the Welland Canal prevents the use of large vessels. So far in 1984, the largest shipment from the Great Lakes was 25,000 metric tons, whereas shipments from Gulf ports were as large as 77,000 metric tons. Shipments from the Gulf to Northern Europe in 1984 have averaged 53,800 metric tons. The economies of size available through the use of large vessels cannot be fully realized for shipments from the Lakes ports.

Weather halts navigation on the Great Lakes for about 3 months each year. A 9-month shipping season means that fewer bushels are exported, and that each bushel exported bears a higher proportion of the export facilities' fixed cost burden. The short season also limits the yearly capacity of the area's export elevators.

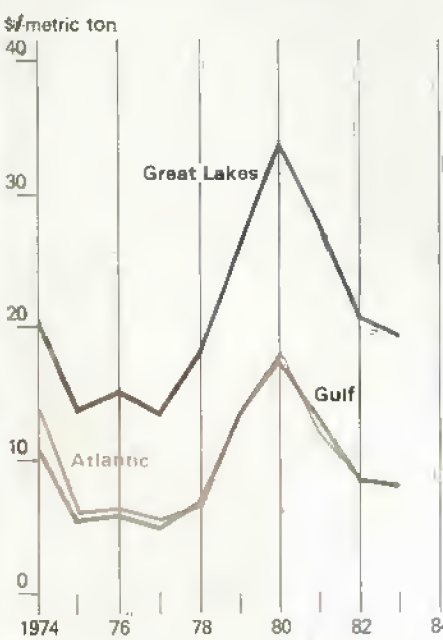
Pacific Ports

Most of the grain exporting activity on the Pacific Coast takes place at ports located on Puget Sound and the Columbia River. In recent years, shipments from California ports have increased.

Ocean freight rates from the Pacific ports to Japan have tended to be well below those from Atlantic or Gulf ports in recent years. This partially reflects the proximity of Pacific ports to Asian markets. For example, Portland, Oregon, lies only 4,300 nautical miles from Yokohama, Japan, whereas New Orleans is 9,100 miles away and Baltimore, 9,600.

Pacific ports have not been able to take full advantage of their nearness to Asia because grain, except for wheat, must travel long inland distances. In 1982, the Pacific Coast States produced 10 percent of all U.S. wheat and 1 percent of the corn, but virtually no soybeans. This means any corn or soybeans exported from the area must be transported over land, usually at a high cost. Wheat usually

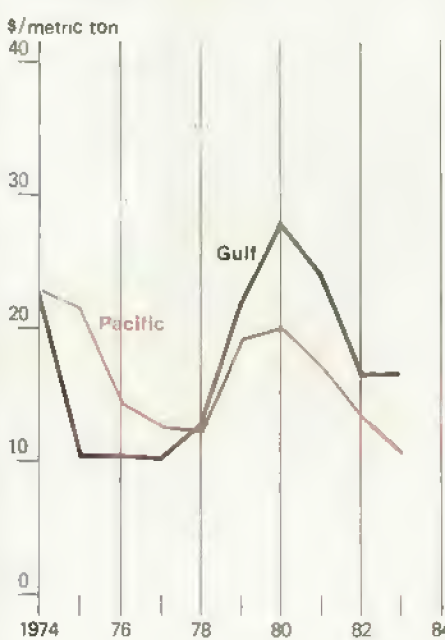
Ocean Rates to Northern Europe From Great Lakes Top All Others



accounts for more than one-half of all grain and soybean exports through the Pacific ports.

Recent changes have improved the competitive position of Pacific ports. Unit train rates have been instituted between the Midwest and the Columbia River basin. During January-July 1984, these rates, combined with the lower ocean freight rates, increased exports through the Pacific ports 41 percent above the same period in 1983. During these 7 months, 267 million bushels of corn were exported, compared with 55 million bushels in 1983. (T. Q. Hutchinson and Bill Gallimore (202) 447-8487)

Ocean Rates to Japan Lower From Pacific Ports





Production Cost Highlights

PRODUCTION COST HIGHLIGHTS

Major U.S. crops will cost more to produce this year, but yields will be closer to normal after last year's drought. Although crop prices will fall, per-acre receipts will increase. Cow-calf and dairy enterprises will also cost slightly more to run, while fed cattle and hogs will cost less. Market prices for hogs and cattle will rise.

Except for feeder livestock, energy, and general farm supplies, expenses for production inputs increased in 1984. Last year's feed grain prices were 10 percent higher than in 1982, but prices have been falling throughout this year and will average only 1.3 percent above last year. This will help livestock producers, and will hurt feed grain growers.

A similar situation occurred with feeder livestock. Prices were up in the first quarter of 1984, fell in the second and third, and will be up slightly in the fourth. Feeder prices should average about 2.8 percent less for the year, and feeder producers will have lower receipts while finishers will have lower expenses.

Last year's relatively high grain prices were felt this spring, as seed prices rose 7 percent from last year. This has affected all crops except winter wheat. After dropping 5 percent last year, fertilizer costs have rebounded to their 1982 level. Seed and fertilizer, on average, account for about 50 percent of variable costs for corn and wheat, and their cost increases will have a major impact.

Energy costs have been falling since 1982 and will average about 0.3 percent less this year. Costs of farm supplies such as tires, tools, packing crates, and others have also fallen this year.

Interest, a significant component of cash expenses, has increased this year. Real estate values and taxes have also increased.

Commodity Highlights

Corn growers' per-acre receipts will improve again this year. Wheat and soybean receipts will fall, and returns will be slightly above those in 1982. Barley's cash flow will fall while grain sorghum, oats, rice, sunflowerseed, peanuts, and flax will all improve. Of these, only sunflowerseed and peanuts will show positive returns to management and risk.

Grain and concentrate prices are down this year, along with feeder livestock prices. After a poor showing in 1983, the cash position for cattle and hogs is improving, but not quite to the 1982 level. For milk, increased costs and lower milk prices have reduced returns to dairy farmers, although returns are still positive.

Prices Continue To Increase

	1982 to 1983	1983 to 1984 F
	Percent change	
Prices Paid Index (1910-14=100)		
Feed	9.9	1.3
Feeder livestock	-2.7	-2.8
Seed . . . . .	.1	7.1
Fertilizer	-4.9	5.8
Agricultural chemicals	4.8	2.4
Fuels and energy	-3.7	-.3
Farm and motor supplies	-.6	-2.4
Autos and trucks	6.7	6.9
Tractors and self-propelled machinery	6.0	4.0
Other machinery	6.9	4.9
Buildings and fencing	2.2	-.4
Farm services and rent	1.0	3.0
Wage rates	2.8	1.2
Farm real estate . . . . .	.0	3.0
Taxes	4.3	5.8
Other Indicators		
Consumer Price Index	3.2	4.1
Short-term interest rates	-18.5	6.7
Long-term interest rates	-4.9	2.6

F= Forecast.

Production Costs and Returns for U.S. Livestock and Dairy, 1983-84^{1 5}

	Cow/Calf		Fed Cattle		Milk		Hogs ⁶	
	1983	1984	1983	1984	1983	1984	1983	1984
	\$/cow				\$/cwt			
Total cash receipts	247.18	265.59	82.12	64.89	14.68	14.42	46.92	50.59
Cash expenses								
Total variable ²	181.89	180.27	62.74	62.01	8.02	8.16	37.87	36.07
Total fixed ³	78.26	81.34	4.84	4.86	2.52	2.62	9.59	9.72
Total cash expenses	260.15	261.60	67.58	66.87	10.54	10.77	47.26	44.79
Receipts less cash expenses	-12.97	3.99	-5.46	-1.88	4.14	3.65	-.34	5.80
Capital replacement	85.38	69.29	1.21	1.28	1.58	1.70	6.19	8.56
Receipts less cash expenses and replacement	-78.35	-85.30	-6.67	-3.17	2.56	1.95	-6.53	-.76
Economic cost								
Variable expenses ⁴	181.89	180.27	62.74	62.01	8.02	8.16	37.87	36.07
General farm overhead	13.43	14.03	.03	.31	.57	.61	1.81	1.68
Taxes and insurance	22.23	24.92	.18	.20	.36	.41	.78	.87
Capital replacement	65.38	69.29	1.21	1.28	1.58	1.70	6.19	8.56
Hired management . . . . .	.00	.00	.14	.14	.00	.00	.00	.00
Allocated returns to owned inputs								
Operating capital	10.05	9.98	1.31	1.30	.10	.10	.93	.87
Other nonland capital	46.83	49.74	.48	.51	.95	1.02	2.52	2.68
Land	134.22	138.57	.20	.21	.36	.38	.36	.37
Unpaid labor	74.72	76.49	.52	.53	1.46	1.52	5.47	5.60
Total economic costs	548.75	563.29	67.08	66.60	13.40	13.89	55.53	53.70
Residual to management and risk	-301.57	-297.70	-4.96	-1.51	1.28	.53	-8.81	-3.11
Net Returns to owned inputs	-36.75	-22.92	-2.45	1.03	4.15	3.55	.67	6.40

¹ Data for additional enterprises are available on request from the author. ² Includes: Feed, veterinary and medicine, marketing, bedding, custom feed mixing, fuels, machinery and building repairs, hired labor, and manure credit. ³ Includes: taxes and insurance, general overhead, and cash interest paid on all loans. ⁴ Farrow-to-finish operations. ⁵ A complete description of the methodology used to prepare this table, as well as 1981-83 budgets, can be found in *Economic Indicators of the Farm Sector, Costs of Production, 1983*, ECIFS 3-1, ERS-USDA.

Production Costs and Returns for U.S. Crops, 1983-84^{1 6}

	Corn		Wheat		Soybeans		Cotton	
	1983	1984	1983	1984	1983	1984	1983	1984 ⁶
	\$/planted acre							
Total cash receipts	258.70	289.11	133.95	126.87	200.48	178.16	374.09	—
Cash expenses								
Total variable ²	125.77	132.92	52.05	53.48	55.66	57.08	198.73	213.28
Total fixed ³	84.85	88.13	35.86	37.25	50.78	52.84	89.13	91.29
Total cash expenses	210.62	221.05	87.91	90.73	106.44	109.92	287.86	304.57
Receipts less cash expenses	48.08	68.06	46.04	36.14	94.04	68.24	86.23	—
Capital replacement	31.65	34.36	22.96	24.92	23.68	25.70	44.34	48.13
Receipts less cash expenses and replacement	16.43	33.71	23.08	11.22	70.36	42.54	41.89	—
Economic costs								
Variable expenses ⁴	125.77	132.92	52.05	53.48	55.66	57.08	198.73	213.28
General farm overhead	18.39	17.42	7.35	7.85	8.98	9.41	23.12	24.20
Taxes and insurance	17.23	19.79	8.28	9.51	12.19	14.00	9.78	11.23
Capital replacement	31.65	34.36	22.96	24.92	23.68	25.70	44.34	48.13
Allocated returns to owned inputs								
Operating capital	4.64	4.92	2.47	2.54	2.34	2.41	5.86	6.30
Other nonland capital	12.27	13.35	8.38	9.12	8.84	9.40	14.61	15.90
Net land rent	61.43	63.27	34.00	35.02	64.08	65.98	61.57	63.42
Paid and unpaid labor ⁵	14.50	14.53	10.75	10.77	14.62	14.65	32.38	32.44
Total economic costs	283.88	300.55	146.24	153.00	190.17	198.83	390.39	414.90
Residual to management and risk	-25.18	-11.44	-12.29	-26.14	10.31	-20.47	-16.30	—
Net returns to owned inputs	67.66	84.62	43.31	31.31	99.97	71.97	98.12	—
	\$/bushel or pound							
Harvest month price	3.21	2.75	3.48	3.33	7.98	6.00	.66	—
	Bushels or pounds							
Yield per planted acre	80.50	105.13	37.01	36.63	25.19	29.69	465.48	566.41

¹ Data for additional crops are available on request from the author. ² Includes: seed, fertilizer, lime, chemicals, custom operations, fuel and lubrication, repairs, drying, purchased irrigation water, and management fees. ³ Includes: taxes and insurance, general overhead, and cash interest paid on all loans. ⁴ Includes hired labor (a cash expense) and unpaid labor; they could not be separately identified given available survey data. ⁵ Cotton price forecasts not available. ⁶ A complete description of the methodology used to prepare this table, as well as 1981-83 budgets, can be found in *Economic Indicators of the Farm Sector, Costs of Production, 1983*, ECIFS 3-1, ERS-USDA.

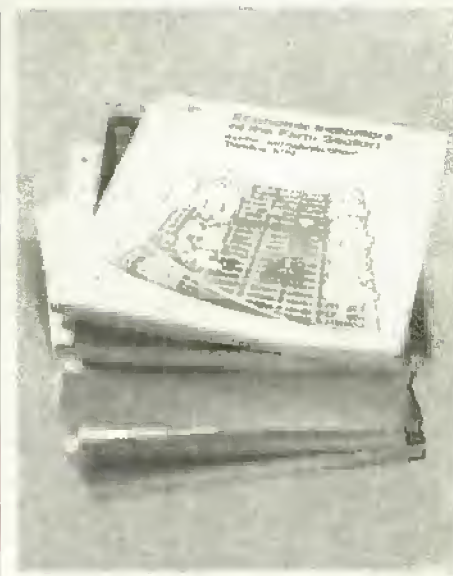
Short-Run Versus Long-Run Costs

Total cash expenses reflect the short-run out-of-pocket variable and fixed costs incurred, and the minimum break-even price needed per unit on an average acre of cropland to raise and harvest a crop with a given yield. For corn, these are \$221.05 an acre, or \$2.10 a bushel.

Along with all cash expenses, total cash expenses with replacement also reflect capital replacement and the amount of income needed to replace production machinery and equipment. To maintain crop and livestock production, the timely replacement of the capital stock is necessary. For corn, this cost is \$255.41 an acre (\$2.43 a bushel). Subtracting these short-run costs from total receipts gives the total cash available to pay for the owner's own inputs.

Economic costs, excluding land, reflect all cash expenses (less cash interest), capital replacement, allocated returns to labor, operating capital, and non-land capital. USDA must impute the allocated returns for some items because these costs cannot be measured directly. These costs reflect the average long-run costs that must be covered in some manner to keep an acre of land in production before payment of land rent, whether it is to the owner-operator or the landholder.

Economic costs, including land, reflect total economic costs, including an estimated rent to the landowner. These costs show the per-unit average break-even price necessary to continue producing a crop in the long run. (Bob McElroy (202) 447-2317)



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USDA's Economic Research Service publishes a number of research reports, statistical supplements, handbooks, and other periodicals that may be of interest to you as an *Agricultural Outlook* reader.

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Minifarms: Farm Business or Rural Residence? AIB-480. September 1984. (Price \$1.50).

World Trade in Fruits and Vegetables: Projection for an Enlarged European Community. FAER-202. 68 pp. July 1984. (Price \$2.75).

Japanese and European Community Agricultural Trade Policies: Some U.S. Strategies. FAER-204. 24 pp. August 1984. (Price \$1.50).

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Agricultural Policy

1985 FEED GRAIN, COTTON, AND RICE PROGRAMS

On September 14, the Secretary announced provisions for the 1985 feed grains, cotton, and rice programs.

Feed Grains

Target prices were set at \$3.03 a bushel for corn, \$2.88 for grain sorghum, \$2.60 for barley, and \$1.60 for oats—all unchanged from 1984 and the minimum allowed by law. Loan rates will be \$2.55 a bushel for corn, \$2.42 for sorghum, \$2.08 for barley, \$1.31 for oats, and \$2.17 for rye. (There is no target price program for rye.)

The 1985 feed grain program also features a 10-percent voluntary acreage reduction. Although there is no paid land diversion, producers who decide to enroll may request 50 percent of their deficiency payments in advance. Deficiency payment rates have been estimated at 47 cents a bushel for corn, 46 cents for sorghum, and 44 cents for barley. No deficiency payment is estimated for oats.

As with the 1984 program, there will be two feed grain bases—one combining corn and sorghum and the other combining barley and oats. The 1985 bases will be the average of the acreage planted and considered planted

to feed grains in 1983 and 1984. Feed grain producers who cut their base acreage 10 percent will be eligible for program benefits, which will include price-support loans and target price protection.

The land removed from production must be devoted to conservation uses. Designated land, except for summer fallow farms, must have been devoted to row crops or small grains in 2 of the last 3 years. For summer fallow, the cropping requirement is for 1 of the last 2 years. The land must be protected from wind and water erosion year-round.

Signup for the 1985 feed grain program will be October 15, 1984, through March 1, 1985, the same as for the 1985 wheat program.

As in the 1985 wheat program, 1985 feed grain crops will not immediately enter the farmer-owned reserve. USDA will review the size of the reserve before regular price-support loans reach maturity. Then it will be determined whether entry into the reserve will be permitted. Contracts signed by program participants will be considered as binding and will provide for liquidated damages for failure to comply with program requirements.

Rice

On September 14, the Secretary also announced provisions of the 1985 rice program. The target price will be \$11.90 per cwt and the national average loan rate \$8 per cwt, both the same as 1984. Whole kernel loan rates will be 14.53 cents a pound for long grain and 10.50 cents for medium and short grain. The broken kernel rate is 6.02 cents a pound.

Other provisions include a 20-percent voluntary acreage reduction and a 15-percent paid land diversion. The land diversion payment rate has been set at \$3.50 per cwt times the farm yield times the number of acres diverted.

When they sign up for the program, producers may request 50 percent of their 1985 diversion payment, as well as 50 percent of their projected 1985 deficiency payment. USDA estimates the deficiency payment rate at \$3.80 per cwt. Producers who accept advance payment, but who later do not comply with program provisions, must refund the advance with interest plus liquidated damages.

To be eligible for benefits, producers must limit 1985 rice acreage to no more than 65 percent of the farm's rice base. Producers must also reserve some of their eligible cropland for acreage conservation. This reserved cropland must be equal to at least 30.77 percent of the farm's 1985 planted rice acreage plus 15 percent of its rice acreage base.

Other rice program provisions stipulate that land designated for an acreage conservation reserve must have been devoted to row crops or small grains in 2 of the past 3 years. Although haying will not be permitted on reserved cropland, the acreage may be grazed, except during the 5 principal growing months, which are designated by Agriculture Stabilization and Conservation Service committees. The Secretary has approved a standby measure that authorizes emergency haying and grazing privileges in the event of a natural disaster. Approval will be given county by county. As in 1984, offsetting and cross compliance will not apply.

Signup will be from October 15, 1984, through March 1, 1985, the same as for the wheat, feed grain, and cotton programs.

Upland Cotton

The program for the 1985 upland cotton crop includes a 20-percent voluntary acreage reduction program and a 10-percent paid land diversion. The 1985 target price for upland cotton is 81 cents a pound. The loan rate, however, will not be determined until after October 15. The minimum level allowable by law is 55 cents a pound.

As with the rice program, producers may request 50 percent of their projected 1985 deficiency payments and 50 percent of their paid land diversion payment when they sign up. USDA estimates the deficiency payment rate for 1985 will be 19.8 cents a pound. The land diversion payment rate has been set at 30 cents a pound. The total land diversion payment is equal to

the per-pound payment rate times the farm yield times the acres diverted.

To be eligible for benefits, a producer must agree to limit upland cotton acreage planted for harvest to not more than 70 percent of the farm's upland cotton base and to reserve for conservation use cropland equal to 28.57 percent of the 1985 planted acreage plus 10 percent of the applicable upland cotton base.

Haying and grazing, as well as offsetting and cross compliance provisions, are the same as for rice. Recourse loans will be available for seed cotton. The seed cotton will be adjusted to a lint basis, and the loan rate applicable to lint cotton will be used. Signup will be from October 15, 1984, through March 1, 1985.

ELS Cotton

The Secretary announced a 10-percent voluntary acreage reduction program for extra long staple (ELS) cotton. As required by law, the ELS cotton loan rate will be 150 percent of the loan rate for upland cotton. The target price is also required by law to be 120 percent of the ELS loan rate. The minimum loan rate is 82.5 cents a pound, and the minimum target price is 99 cents a pound.

The 1985 ELS cotton acreage base will be the average of the acres planted in 1981, 1982, and 1983, including acres not planted because of conditions beyond the producer's control. Other requirements, including signup, are the same as for feed grains, rice, and upland cotton.

The Agricultural Programs Adjustment Act of 1984

Target prices for the 1985 feed grains, rice, and upland cotton programs were already set in the Agricultural Programs Adjustment Act of 1984. This law froze the target price for corn at \$3.03 a bushel, instead of at the \$3.18

a bushel provided for in the Agriculture and Food Act of 1981. It also froze the 1985 target price for rice at \$11.90 per cwt, instead of at \$12.40 per cwt, and for upland cotton at 81 cents a pound, instead of 86 cents.

For corn, the recent law provided that if estimated carryover stocks on September 30, 1985, exceeded 1.1 billion bushels, the Secretary of Agriculture must cut acreage 5 to 20 percent. This would be done through a combination of an unpaid acreage reduction and a paid diversion program. Not less than 5 percent of the cutback would have to be achieved through the paid diversion, and any reduction over 15 percent would be divided equally between the paid diversion and acreage reduction programs. As of September 13, ending stocks on September 30, 1985, are projected at 1.02 billion bushels of corn.

For rice, the Adjustment Act required the Secretary to provide for an acreage cutback of at least 25 percent if he estimated that the rice carryover on July 31, 1985, would exceed 25 million cwt. This cutback would consist of an acreage reduction program of 20 percent and a paid diversion program equal to the difference between the total acreage cutback for the farm and the 20-percent reduction. As of September 13, rice ending stocks for July 31, 1985 are projected at 54.5 million cwt.

Similarly, for upland cotton, the changes implemented in the 1984 Adjustment Act required the Secretary to provide at least a 5-percent paid land diversion program if he estimated that the upland cotton carryover on July 31, 1985, would exceed 3.7 million bales. If a land diversion program is implemented, an acreage reduction program of not more than 20 percent may be established. As of September 13, upland cotton carryin for August 1985 was projected at 4.5 million bales.

When the Secretary announced the 1985-crop programs for feed grains, rice, and upland cotton, he also announced an advance deficiency payment rate of \$1.08 a bushel for wheat. At signup, producers can request 50 percent of this payment in advance.

1984/85 Sugar Import Quota Announced

The U.S. sugar import quota for the 1985 quota year (October 1, 1984 - September 30, 1985) will be 2.552 million short tons, raw value. The Office of the U.S. Trade Representative will announce the country quota allocations.

Farm Credit Initiative

On September 18, President Reagan, announced provisions for restructuring farm debt. The program as announced contains four provisions:

- The Farmers Home Administration (FmHA) will, on a case-by-case basis, defer 25 percent of the principal and interest payments owed by selected farmers for up to 5 years.
- Federal guarantees of \$630 million are being made available to private farm lenders who agree to write off 10 percent of farm debt owed in selected problem farm situations.
- Experts from local communities will be asked to help farmers develop financial and production management plans.
- FmHA can contract out some routine paperwork to private banks and other financial institutions in order to reduce backlogs.

As of July 31, 1984, FmHA had 270,986 farm and ranch borrowers, providing approximately 11 percent of the Nation's farm credit. Of these borrowers, 31 percent are behind in their payments. For the past 3 years, however, more than 97 percent of FmHA's borrowers have been able to remain in farming. Since October 1, 1984, the Secretary of Agriculture has provided special credit assistance to 65,022 FmHA farm borrowers including deferral of loan payments, and rescheduling and subordination of liens to commercial lenders in the private sector. [Tom Fulton (202) 447-6620]



USSR Grain Production and Trade*

On June 29, Exportkhleb, the Soviet foreign trade company responsible for grain importing and exporting, began an unusual period of grain buying activity in the United States. Between then and September 6, it bought 12.7 million tons of U.S. grain, an amount second only to the 17.6 million tons it purchased in the summer of 1972.

By September 6, the Soviets had purchased 14.4 million tons of grain under the first year of the 1983 U.S.-USSR long-term grain agreement. They had already purchased 8.75 million tons—7.4 million of corn and 1.35 million of wheat—for the second year, which began October 1, 1984.

Because of these transactions, the United States notified Soviet officials on September 11 that the agreement's 12-million-ton-a-year consultation limit (a minimum of 4 million tons each of corn and wheat are included) would not hinder their purchases, and that they would be able to purchase up to 22 million tons without further U.S. Government approval.

Why did this buying activity, which also involved purchases from other countries, take place? Were these sales related to changes in consumption patterns in the USSR brought on by, for example, record livestock inventories? Or were they related to worsening Soviet domestic crop conditions? What prompted the USSR to make such large purchases from the United States in opposition to its stated aim of reducing grain imports from Western capitalist countries?

The USSR's Food Policy

The Communist doctrine promises everyone a higher material standard of living, but in the Soviet Union delivery on this promise has been long delayed. However, beginning in the early 1960's, the Soviet leadership faced a

"revolution of rising expectations," when consumers demanded improved diets, particularly higher quality food, such as animal products, vegetables, and fruit. The leadership of the USSR was pressured to meet these demands, and food became an explosive issue.

The Soviets intended to increase supplies of high-quality foodstuffs, especially meat, using only domestic resources. During the 1970's, modernization of livestock farms resulted in a 20-percent increase in the total number of animals.

But despite efforts to increase grain yields, Soviet grain production did not keep up with the livestock expansion. Both the 1972 and 1975 crops, even when supplemented by record grain imports, proved insufficient to maintain animal herds, particularly hogs. The 1975 grain crop, only 140 million tons and nearly a third less than 1974's, forced a reduction in hog inventories that took 4 years to rebuild. This kind of distress slaughter, if periodically repeated, guaranteed that Soviet diets would remain deficient.

A second element of food policy relates to Soviet incomes and consumer policy. Between 1970 and 1982, real incomes of workers and employees in the USSR increased 40 percent. However, prices for bread, sugar, flour, and cereals have been unchanged since 1955, and the Soviet citizens see stable prices for foodstuffs as a "right." For example, in 1962, when Soviet Premier Nikita Khrushchev ordered retail price increases of 25 to 30 percent for meat and butter, violent demonstrations resulted. Since then, no Soviet leader has been willing to risk the political disorder that could accompany an increase in State-controlled prices of meat, dairy products, and eggs. Today, the cost of State retail price subsidies on these commodities is twice what the USSR admits to spending on national defense.

Forecasting Soviet Grain Demand

A long-term trend of increasing consumption of animal products, vegetables, and fruit can be expected. Soviet planners have included this in their goals for the remainder of the decade, and these plans are expected to exert a considerable influence on the USSR's demand for grain as feed. However, Soviet nonfeed use of grain is expected to change little in the 1980's. Since 1972, seed use has been fairly stable at 26 to 29 million tons, with projected lower acreage suggesting use toward the bottom of the range.

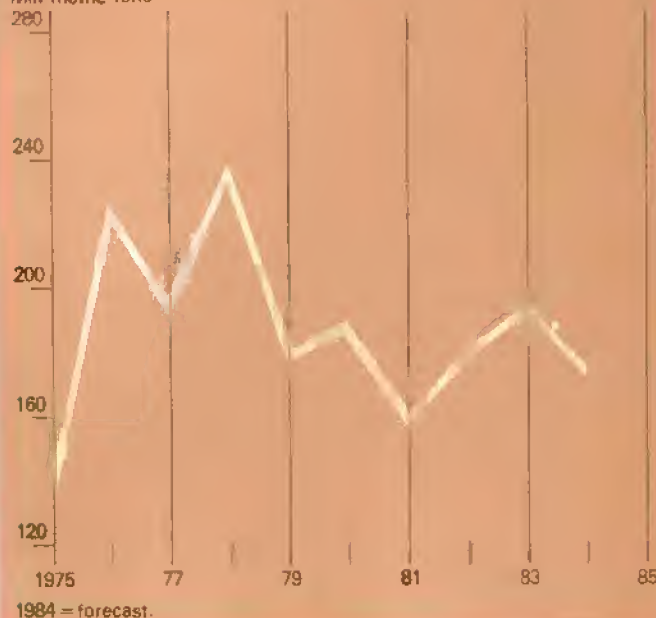
Industrial use of grain has been rising slowly at about 100,000 tons a year. Dockage and waste estimates (made necessary by the Soviet practice of reporting grain weight directly as it comes from the combine) average about 10 percent of production. The slow decline in per capita bread consumption is offset by a gradually increasing population. Thus, Soviet plans for grain stock holding and livestock feeding are the primary dynamic factors influencing the USSR grain demand.

USDA assumed the USSR would try to rebuild stocks as rapidly as possible from imports as soon as the 1980 grain embargo ended. The USSR has not done so, and may be using its network of long-term grain supply agreements as a substitute for internally held reserves.

* Photo: Sovafoto, Tass.

Soviet Grain Production: Another Poor Crop In 1984

Mil. metric tons



Based on projected meat production, grain-for-feed use should slowly increase. However, its feed use has been less than expected, and total Soviet meat production has not met the planners' expectations. For 1982/83 and 1983/84, very good supplies of nongrain feeds may have enabled the Soviets to economize on grain.

Nevertheless, the most important reason for both the lower-than-estimated feed use and the lack of stock rebuilding is the below-trend domestic grain production in the years since 1979. Domestic grain production is the most important element in determining Soviet grain imports.

Long-Term Trends in Production

During the 1970's, the USSR had wide annual variations in grain production. Grain yields also fluctuated, but not as greatly as production. The difference between yield and production variability is accounted for by changes in USSR grain area policy, specifically the expansion of clean fallow. Soviet fallow policy goes in cycles, and land left idle is now expanding. In 1980, fallow totaled 13.8 million hectares (11 percent of grain area). By 1984, it had increased to more than 20 million hectares (about 16 to 17 percent). The expansion in fallow since 1980 is about equal to the decline in grain area.

Single-Season Forecasting

Production forecasting. Studies show that production trends explain about 70 percent of the variability in crop yields, with single-season events, primarily weather, accounting for the remainder. To identify and analyze these events in its monthly USSR grain forecasts, USDA uses a wide range of

information: weather-yield models, LANDSAT imagery, observations by USDA attaches in the USSR, and Soviet press reports.

But single-season events are highly unpredictable. For example, the hot, dry winds called *sukhoveys* can sharply cut yields, or storms and rainfall at harvest can lead to crop abandonment. Shortages of trucks or harvesting machinery, as well as problems with fertilizers, pesticides, or other inputs also affect yields. Moreover, an unusual weather event may significantly affect yields one year, but produce little or no long-run damage in another.

During the 1984 season, winter grains (higher yielding than spring grains) were up 8 percent in area. Other favorable indicators, such as fertilizer availabilities, machinery and storage facilities, and improved organization of labor, however, were soon offset by a lack of spring moisture in the North Caucasus, eastern Ukraine, Volga Valley, and Central Black Soil Zone.

In early June, crop prospects suggested an outturn of about 190 million tons, 8 percent below trend and about 50 million tons below plan targets. By the end of July, hot, dry weather had dominated much of the western New Lands. Also the Soviet press became unusually concerned about harvest transportation problems, specifically vehicle shortages. USDA accordingly lowered its estimate to 180 million tons, a reduction that recognized the possibility of strong drought damage.

In August, Soviet harvest progress slowed considerably. The Soviet press reported cold, wet weather, extensive lodging, and further problems coordinating harvest transportation. *Izvestiya*, a Soviet newspaper, stated on August 30 that "on many farms in the eastern regions of the country, combines have been left standing in the fields due to a lack of trucks."

USDA lowered its September forecast of the USSR grain crop to 175 million tons. The slower-than-normal harvest pace, coupled with hints of an early winter, leaves the grain still to be harvested (about a quarter of the total area as of September 12) extremely vulnerable to early season snowstorms.

Import forecasting. With Soviet carryover stocks thought to be depleted (or at minimum levels), grain imports are likely to be the difference between crop outturn and the 220 to 225 million tons necessary to support Soviet consumption patterns. Since 1975, the USSR has been reluctant to sacrifice its animal inventories because of low feed supplies. At the time Soviet summer buying began, USDA was already forecasting worldwide Soviet imports of 38 million tons, the second highest on record. This was increased to 43 million in August, and to 46 million in September. At that level, they would tie the 1981 record when drought extensively damaged the crop.

The U.S. share of Soviet grain imports reflects a variety of factors. Four of them are probably the most important: (1) the minimum import commitment negotiated in the 1983 U.S.-USSR long-term grain agreement (8-9 million tons), (2) competitor-country supplies and prices, (3) service and transportation considerations, and (4) Soviet policy objectives. At extremely high import levels (40 or more million tons), the United States can be expected to be the source of much of the incremental amounts.

The U.S.-USSR long-term grain agreement, U.S. domestic legislation and presidential statements reinforce the reliability of the United States as a supplier. The United States has the stocks to respond quickly to Soviet needs. Moreover, the U.S. grain exporting system is efficient and flexible, with strategically located elevators, ports able to quickly turn around various-size vessels, and grain grading standards that ensure uniform quality.

For the 1984/85 grain marketing year, the Soviets likely will turn to the United States for a larger share of their import requirements. Grain handling problems and smaller crops in Argentina and Australia, and a drought-reduced Canadian crop are among the reasons for the surge in U.S.-Soviet grain sales.

Using International Agreements To Supplement the Forecast

The U.S.-USSR grain agreement requires semiannual consultations, at which the countries exchange global supply

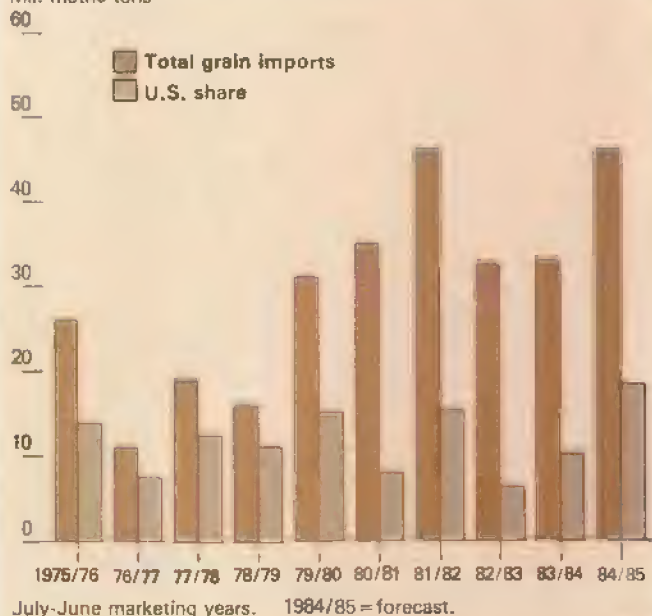
and demand data, discuss grain quality, and note shipping and global economic conditions. The USSR has been reluctant to indicate specific crop conditions or buying intentions (besides assuring the U.S. delegation that it will meet its minimum import commitment).

Long-term U.S. policy, interrupted only during the embargo period, has been to indicate to the USSR that the United States has sufficient grain available to take care of their potential import needs. Furthermore, the United States has offered the USSR grain well in excess of the consultation level.

Another agreement in effect under which additional information might be obtained is the U.S.-USSR Agricultural Cooperation Agreement. Under this pact, the USSR is required to provide information on area, yield, and production of major crops, including grain. However, they have not done so since 1980, and the agreement has been largely dormant since that time. In late June 1984, however, the President announced that this agreement would be revived. When activities resume, a complete exchange of economic information will be a priority, and the countries could reopen the discussions on joint crop forecasting techniques, which halted when cooperative activities were closed down in 1980. [Anton F. Malish (202) 447-8380]

U.S. Share of Soviet Imports May Hit Record

Mil. metric tons



USSR Per Capita Consumption of Selected Foods

Food	1960	1970	1975	1980	1982	1990
Kilograms, unless otherwise noted						
Meat and fat . .	40	48	57	58	57	70
Milk and products . . .	240	307	315	314	296	330-340
Eggs (units) . .	118	159	216	239	249	260-266
Sugar	28.0	38.8	40.9	44.4	44.5	45.5
Veg. oil	5.3	6.8	7.6	8.8	9.3	13.2
Potatoes	143	130	120	109	110	110
Grain	164	149	141	138	137	135
Vegetables and melons .	70	82	89	97	101	126-135
Fruit and berries	22	35	39	38	42	66-70

Source: USDA, *USSR Outlook and Situation Report*.

Statistical Indicators

Summary Data

Key statistical indicators of the food and fiber sector

	1983		1984					1985	
	IV	Annual	I	II	III p	IV F	Annual F	I F	Annual F
Prices received by farmers (1977=100)									
Livestock and products	136	134	144	145	142	138	142	142	—
Crops	138	141	151	146	143	146	147	153	—
	134	127	138	143	141	130	136	129	—
Prices paid by farmers, (1977=100)									
prod. items	154	153	156	157	155	154	156	158	—
Commodities and services, Int., taxes, and wages	162	161	165	166	165	164	165	168	—
Cash receipts¹ (\$ bil.)[*]									
Livestock (\$ bil.)	128	139	134	142	148-152	143-147	142-146	142-146	—
Crops (\$ bil.)	70	69	73	71	68-72	71-76	71-75	73-77	—
	58	70	61	70	77-81	71-75	69-73	68-72	—
Market basket (1967=100)									
Retail cost	269	269	279	278	281	283	280	287	—
Farm value	241	240	258	254	254	253	265	257	—
Spread	286	286	292	293	296	302	296	304	—
Farm value/retail cost (%)	33	33	34	34	34	33	34	33	—
Retail prices (1967=100)									
Food	293	292	301	302	304	307	304	311	—
At home	282	282	292	292	294	297	294	300	—
Away-from home	325	320	329	332	335	338	334	343	—
Agricultural exports (\$ bil.)²	10.2	34.8	10.7	8.9	8.2	10.2	38.0	10.2	—
Agricultural imports (\$ bil.)²	4.3	16.4	5.0	4.7	4.0	4.3	16.0	4.5	—
Livestock and products									
Total livestock and products (1974=100)	116.7	115.1	112.4	116.7	114.4	112.9	114.1	111.0	114.4
Beef (mil. lb.)	5,962	23,060	5,709	5,819	5,900	5,625	23,053	5,550	22,475
Pork (mil. lb.)	4,206	15,117	3,737	3,670	3,350	3,775	14,532	3,625	14,650
Veal (mil. lb.)	117	428	116	113	120	110	459	100	385
Lamb and mutton (mil. lb.)	91	367	98	92	88	80	358	85	320
Red meats (mil. lb.)	10,376	38,972	9,660	9,694	9,458	9,590	38,402	9,360	37,830
Broilers (mil. lb.)	2,917	12,389	3,082	3,350	3,330	3,180	12,943	3,275	13,475
Turkeys (mil. lb.)	759	2,563	432	589	750	750	2,521	460	2,630
Total meats and poultry (mil. lb.)	14,052	53,924	13,174	13,633	13,535	13,520	63,863	13,095	53,935
Eggs (mil. dz.)	1,418	5,655	1,401	1,408	1,430	1,460	5,699	1,450	5,820
Milk (bil. lb.)	33.8	140.0	34.1	35.8	33.6	32.3	135.8	32.8	136.2
Choice steers, Omaha (\$/cwt.)	60.61	62.37	67.58	66.01	64.30	64.68	65.67	66.70	65.71
Barrows and gilts, 7 markets (\$/cwt.)	42.18	47.71	47.68	48.91	51.50	48.52	49.50	51.55	50.56
Broilers-wholesale, 12-city weighted avg. dressed (cts./lb.) ³	55.2	—	61.8	56.4	54.1	49-53	55-57	52-56	50-56
Turkeys-wholesale, N.E., 8-16 lb. hens, dressed (cts./lb.)	69.4	60.5	67.7	66.9	72.4	73-77	69-71	68-72	64-70
Eggs, N.Y. Gr. A large, (cts./dz.)	91.3	75.2	103.4	83.4	70.0	68-72	81-83	66-70	66-72
Milk, all at farm (\$/cwt.)	13.80	13.57	13.40	12.97	13.13	13.80-14.00	13.25-13.45	13.50-14.10	13.45
Crop prices at the farm⁴									
Wheat (\$/bu.)	3.54	3.54	3.46	3.58	—	—	3.30-3.55	—	—
Corn (\$/bu.)	3.16	3.30	3.16	3.34	—	—	2.75-3.05	—	—
Soybeans (\$/bu.)	7.84	7.87	7.61	7.98	—	—	5.75-7.25	—	—
Upland cotton (cts./lb.)	66.0	61.7	66.3	70.4	—	—	—	—	—

¹ Quarterly cash receipts are seasonally adjusted at annual rates. ² Annual data are based on Oct.-Sept. fiscal years ending with the indicated year. ³ The 9-city price has been discontinued; starting with the second quarter 1983 the broiler price is the new 12-city average. ⁴ Quarterly prices are simple averages; annual prices are for marketing year beginning in year indicated. F = Forecast. Numbers may not add to totals due to rounding. *Seasonally adjusted at annual rates.

Farm Income

Farm income statistics

	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984 F
	\$ Bll.										
Receipts											
Cash receipts:											
Crops ¹	51.1	45.8	49.0	48.6	53.7	63.2	72.7	73.3	74.8	69.5	69 to 73
Livestock	41.3	43.1	46.3	47.6	59.2	68.8	57.8	69.2	70.1	69.2	71 to 75
Total	92.4	88.9	95.4	96.2	112.9	131.8	140.5	142.6	144.8	138.7	142 to 146
Other cash income ²	1.4	1.8	1.8	3.0	4.3	2.9	2.8	3.8	5.5	10.8	8 to 12
Gross cash income . . .	93.8	90.7	97.1	99.2	117.2	134.7	143.3	146.4	150.2	149.6	152 to 156
Nonmoney income ³	6.1	6.5	7.3	8.4	9.2	10.7	12.4	13.6	14.2	13.5	12 to 14
Realized gross income . .	99.9	97.2	104.4	107.6	126.4	145.4	155.7	160.0	164.4	163.2	165 to 169
Value of inventory chg. . .	-1.6	3.4	-1.5	1.1	.8	4.9	-5.5	7.9	-2.6	-11.7	7 to 11
Total gross income	98.3	100.6	102.9	108.7	127.2	150.4	150.2	167.9	161.8	151.4	174 to 178
Expenses											
Cash expenses ⁴	59.8	61.7	67.8	72.0	81.0	97.2	105.6	111.4	113.4	109.5	116 to 120
Total expenses	71.0	75.0	62.7	88.9	99.5	118.1	128.9	136.9	139.5	135.3	143 to 147
Income											
Net cash income	34.2	29.0	29.3	27.3	36.2	37.5	37.7	35.0	36.6	40.1	34 to 38
Total net farm income . . .	27.3	25.6	20.1	19.8	27.7	32.3	21.2	31.0	22.3	16.1	29 to 33
Deflated total net farm income ⁵	23.7	20.4	15.2	14.1	18.4	19.7	11.9	15.9	10.6	7.5	13 to 15
Off-farm income	28.1	23.9	26.7	26.1	29.7	35.3	37.6	39.8	39.4	41.0	41 to 45

F = Forecast. ¹ Includes net CCC loans. ² Income from machine hire and custom work, farm recreational income, and direct government payments. ³ Imputed gross rental value of farm dwellings and value of home consumption. ⁴ Excludes depreciation of farm capital, perquisites to hired labor, and expenses associated with farm dwellings, and includes net rent to all landlords. ⁵ Deflated by the GNP implicit price deflator, 1972=100. Totals may not add due to rounding.

Cash receipts from farming

	1983						1984						
	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July
Farm marketings and CCC loans¹	10,835	11,329	12,063	14,332	13,894	12,372	12,244	9,502	10,476	9,067	10,079	9,451	10,433
Livestock and Products	5,218	5,631	5,752	6,021	5,767	5,792	5,923	5,638	6,324	5,761	6,284	5,707	5,148
Meat animals	2,605	3,100	3,152	3,244	3,217	3,190	3,198	3,164	3,672	3,469	3,655	3,192	2,506
Dairy products	1,584	1,656	1,494	1,541	1,502	1,513	1,563	1,481	1,557	1,520	1,594	1,519	1,493
Poultry and eggs	796	889	898	954	958	997	1,039	931	1,001	692	938	903	914
Other	233	86	208	282	110	92	123	62	94	100	97	93	235
Crops	5,617	5,698	6,311	8,311	8,107	6,580	6,321	3,864	4,152	3,286	3,795	3,744	5,285
Food grains	1,676	1,453	866	878	691	583	511	391	472	346	275	852	1,652
Feed crops	1,072	1,111	1,243	979	1,575	1,237	1,564	973	702	593	669	932	1,152
Cotton (lint and seed)	48	55	182	892	963	917	691	278	165	-193	-5	-13	33
Tobacco	71	572	549	289	395	453	343	36	12	20	0	0	10
Oil-bearing crops	808	839	1,093	2,769	2,001	1,216	1,623	690	1,122	752	1,134	404	571
Vegetables and melons	629	725	990	1,019	831	853	615	561	696	743	712	538	647
Fruits and tree nuts	662	507	729	738	726	612	426	412	310	220	368	602	767
Other	451	436	659	747	1,125	909	548	523	673	805	642	429	453
Government payments	233	583	854	1,195	1,418	1,803	848	1,882	1,896	414	126	190	330
Total cash receipts²	11,068	11,912	12,917	15,527	15,312	14,175	13,092	11,394	12,372	9,481	10,205	9,641	10,763

¹ Receipts from loans represent value of loans minus value of redemptions during the month. ² Cash receipts estimates reported in this issue for 1983 contain revisions due to a more complete accounting for CCC loans repaid, which has the effect of reducing sales.

Farm marketing indexes (physical volume)

	Annual			1983	1984					
	1981	1982	1983 p	July	Feb	Mar	Apr	May	June	July
	1977=100									
All commodities	111	120	110	120	103	106	97	119	101	111
Livestock and products	103	104	106	104	107	104	104	114	107	97
Crop	119	136	114	138	98	108	88	127	92	126

p = preliminary. Volume of marketing indexes reported in this issue for 1983 contains revisions due to a more complete accounting for CCC loans repaid, which has the effect of reducing sales.

Farm production¹

Item	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984 ²
	1977=100									
Farm output	95	97	100	104	111	103	118	114	93	108
All livestock products ³	95	99	100	101	104	108	109	107	109	107
Meat animals	97	100	100	100	103	107	106	101	103	101
Dairy products	94	98	100	99	101	105	108	110	114	110
Poultry and eggs	92	98	100	106	114	115	119	119	120	122
All crops ⁴	93	92	100	102	113	101	116	118	87	110
Feed grains	91	96	100	108	116	97	121	124	66	113
Hay and forage	100	94	100	106	108	98	106	110	100	107
Food grains	108	107	100	93	108	121	144	140	116	128
Sugar crops	114	112	100	101	94	97	107	96	93	94
Cotton	58	74	100	76	102	79	109	85	54	92
Tobacco	114	112	100	106	80	93	108	104	75	91
Oil crops	86	74	100	105	129	99	114	124	88	114
Cropland used for crops	97	98	100	97	100	102	103	102	88	98
Crop production per acre	96	94	100	105	113	99	113	116	99	112

¹ For historical data and indexes, see Changes in Farm Production and Efficiency USDA Statistical Bulletin 657. ² Preliminary indexes for 1984 based on September 1984 Crop Production report and other releases of the Crop Reporting Board, SRS. ³ Gross livestock production includes minor livestock products not included in the separate groups shown. It cannot be added to gross crop production to compute farm output. ⁴ Gross crop production includes some miscellaneous crops not in the separate groups shown. It cannot be added to gross livestock production to compute farm output.

Cash receipts¹ from farm marketings, by States, January-July

State	Livestock and products		Crops ²		Total ²	
	1983	1984	1983	1984	1983	1984
	\$MIL.					
North Atlantic						
Maine	143.4	241.2	83.9	109.5	227.3	350.7
New Hampshire	46.6	46.0	18.4	19.3	65.0	65.2
Vermont	232.8	222.9	22.9	23.5	255.6	246.4
Massachusetts	80.1	79.8	87.8	86.1	167.9	165.8
Rhode Island	7.3	7.2	9.5	9.4	16.8	16.6
Connecticut	114.1	129.0	73.2	73.1	187.2	202.1
New York	1,135.0	1,126.1	315.5	309.6	1,450.5	1,435.7
New Jersey	78.6	77.6	221.8	194.5	300.4	272.1
Pennsylvania	1,299.2	1,308.0	413.4	420.1	1,712.6	1,728.1
North Central						
Ohio	873.3	896.9	1,105.0	1,000.4	1,978.3	1,897.3
Indiana	1,028.7	1,011.2	1,183.3	879.9	2,212.1	1,891.0
Illinois	1,361.1	1,308.2	3,077.2	2,847.6	5,338.3	4,155.8
Michigan	726.9	716.4	794.8	806.0	1,521.7	1,521.4
Wisconsin	2,471.5	2,390.1	512.9	467.0	2,984.4	2,857.1
Minnesota	1,950.6	1,890.7	1,524.5	1,125.3	3,475.1	3,016.0
Iowa	3,276.0	2,812.7	2,585.2	1,812.2	5,861.2	4,624.9
Missouri	1,340.9	1,258.5	803.4	839.7	2,144.3	2,098.2
North Dakota	386.4	374.9	1,010.5	653.4	1,397.0	1,028.3
South Dakota	1,019.3	1,034.9	448.9	443.0	1,468.2	1,477.8
Nebraska	2,512.2	2,455.6	1,316.0	837.4	3,828.3	3,293.0
Kansas	2,098.9	2,236.6	1,283.9	1,184.3	3,382.8	3,420.9
Southern						
Delaware	170.7	224.1	45.9	46.8	216.6	271.0
Maryland	387.7	453.0	165.8	136.0	553.5	589.0
Virginia	474.6	507.5	227.4	198.1	701.9	705.6
West Virginia	95.1	93.3	21.6	19.0	116.7	112.3
North Carolina	922.6	1,004.3	495.3	470.2	1,417.9	1,474.5
South Carolina	223.1	245.7	252.0	335.9	475.1	581.6
Georgia	986.5	1,082.4	528.4	487.3	1,514.9	1,569.7
Florida	558.5	572.2	2,463.6	2,388.4	3,022.1	2,960.5
Kentucky	747.6	699.4	580.5	486.1	1,328.1	1,185.5
Tennessee	508.6	497.1	406.3	354.4	915.9	851.5
Alabama	742.6	815.9	342.6	288.1	1,085.2	1,104.0
Mississippi	524.3	570.9	503.9	380.9	1,028.3	951.7
Arkansas	817.7	943.5	444.7	411.1	1,262.4	1,354.6
Louisiana	277.0	288.0	345.5	346.4	622.5	634.4
Oklahoma	907.3	948.8	580.4	538.8	1,487.7	1,487.6
Texas	3,140.2	3,488.5	1,837.6	1,584.6	4,977.9	5,073.1
Western						
Montana	344.7	329.4	436.5	330.7	781.2	660.0
Idaho	492.5	514.4	430.7	511.3	923.2	1,025.6
Wyoming	222.7	222.6	31.7	36.6	254.3	259.2
Colorado	1,113.9	1,088.8	431.2	496.1	1,545.2	1,584.9
New Mexico	306.4	292.7	144.6	143.5	451.0	436.2
Arizona	414.6	461.9	503.0	462.4	917.5	924.2
Utah	279.3	283.7	72.5	68.9	351.8	352.6
Nevada	86.8	89.7	37.8	38.1	124.7	127.8
Washington	550.2	550.2	830.9	927.8	1,381.1	1,478.0
Oregon	293.9	294.4	499.7	532.3	793.6	826.7
California	2,393.8	2,563.8	3,794.0	4,025.0	6,187.8	6,588.8
Alaska	4.3	4.3	3.3	3.3	7.6	7.6
Hawaii	50.2	49.8	259.2	259.2	309.4	308.9
United States	40,221.2	40,804.6	34,508.8	30,447.2	74,730.0	71,251.8

Estimates as of the first of current month. ² Sales of farm products include receipts from loans reported minus value of redemptions during the period. Rounded data may not add.

Farm Prices: Received and Paid

Indexes of prices received and paid by farmers, U.S. average

	Annual			1983	1984					
	1981	1982	1983	Sept	Apr	May	June	July	Aug	Sept p
1977=100										
Prices Received										
All farm products	139	133	134	136	146	144	144	144	143	139
All crops	134	121	127	135	140	144	145	142	144	138
Food grains	166	146	148	151	150	150	143	136	142	141
Feed grains and hay	141	120	144	156	158	160	158	153	146	142
Feed grains	145	120	146	160	160	162	162	158	149	144
Cotton	111	92	104	104	113	122	115	113	111	111
Tobacco	140	154	147	169	149	149	149	149	157	168
Oil-bearing crops	110	88	102	124	121	125	123	110	100	95
Fruit	130	175	126	105	134	161	203	207	246	244
Fresh market ¹	132	186	127	102	137	170	221	228	275	271
Commercial vegetables	136	127	131	124	136	122	118	121	142	130
Fresh market	135	120	128	120	136	117	112	115	142	127
Potatoes ²	177	125	123	132	170	168	173	231	215	129
Livestock and products	143	145	141	137	151	145	143	145	143	140
Meat animals	150	155	147	138	156	153	152	155	152	146
Dairy products	142	140	140	139	135	134	132	133	135	138
Poultry and eggs	116	110	118	128	155	133	125	129	120	123
Prices paid										
Commodities and services										
Interest, taxes, and wage rates	150	157	161	162	166	166	166	165	165	165
Production items	148	150	153	154	158	157	157	156	155	165
Feed	134	122	134	142	143	143	141	137	139	130
Feeder livestock	164	164	160	147	158	153	150	150	152	151
Seed	138	141	141	142	153	153	153	153	153	156
Fertilizer	144	144	137	138	146	147	147	147	147	147
Agricultural chemicals	111	119	125	126	126	129	129	129	129	129
Fuels & energy	213	210	202	206	203	204	203	201	199	200
Farm & motor supplies	147	152	152	150	147	148	148	148	147	147
Autos & trucks	143	159	170	171	180	181	182	182	183	183
Tractors & self-propelled machinery	152	165	174	177	180	180	182	182	182	182
Other machinery	146	160	171	174	177	177	182	182	182	183
Building & fencing	134	135	138	139	139	139	137	137	137	137
Farm services & cash rent	137	145	147	147	151	151	151	151	151	151
Interest payable per acre on farm real estate debt	211	241	251	251	256	256	256	256	256	256
Taxes payable per acre on farm real estate	123	131	137	137	145	145	145	145	145	145
Wage rates (seasonally adjusted)	137	143	147	148	152	152	152	150	150	150
Production items, interest, taxes, and wage rates	151	155	159	160	164	164	163	162	162	161
Prices received (1910-14=100)	633	609	616	621	665	659	658	657	655	635
Prices paid, etc. (Parity index) (1910-14=100)	1,035	1,076	1,105	1,112	1,141	1,140	1,139	1,136	1,134	1,134
Parity ratio ³	61	57	56	56	58	58	58	58	58	56

¹ Fresh market for noncitrus and fresh market and processing for citrus. ² Includes sweetpotatoes and dry edible beans. ³ Ratio of Index of prices received to index of prices paid, taxes, and wage rates. (1910-14=100). p = preliminary.

Prices received by farmers, U.S. average

	Annual*			1983	1984					
	1981	1982	1983	Sept	Apr	May	June	July	Aug	Sept p
Crops										
All wheat (\$/bu.)	3.88	3.52	3.59	3.65	3.63	3.65	3.45	3.28	3.42	3.42
Rice, rough (\$/cwt.)	11.94	8.36	8.31	8.48	8.49	8.24	8.20	8.18	8.23	8.01
Corn (\$/bu.)	2.92	2.37	2.99	3.32	3.32	3.34	3.37	3.30	3.12	3.00
Sorghum (\$/cwt.)	4.72	4.00	4.89	5.26	5.00	5.08	4.95	4.69	4.55	4.51
All hay, baled (\$/ton)	67.67	69.17	75.13	75.40	82.50	84.90	78.70	71.80	71.70	71.90
Soybeans (\$/bu.)	6.92	5.78	6.73	8.28	7.82	8.12	7.99	6.95	6.50	6.03
Cotton, upland (cts./lb.)	67.1	55.5	63.2	63.1	68.1	73.6	69.5	68.2	67.2	67.0
Potatoes (\$/cwt.)	8.95	5.10	4.98	4.94	6.94	6.79	7.41	10.40	9.57	6.25
Dry edible beans (\$/cwt.)	28.59	16.82	18.22	24.00	21.10	20.40	20.60	21.80	21.10	18.70
Apples for fresh use (cts./lb.)	13.2	15.3	13.2	18.0	15.5	15.4	15.3	18.6	18.3	20.7
Pears for fresh use (\$/ton)	264	300	287	233	133	86	101	—	237	271
Oranges, all uses (\$/box) ¹	3.77	7.47	3.68	1.50	4.44	6.69	10.01	10.79	13.49	11.95
Grapefruit, all uses (\$/box) ¹	3.65	2.04	2.02	2.58	3.92	3.60	2.51	1.18	2.28	2.30
Livestock										
Beef cattle (\$/cwt.)	58.51	56.97	55.83	52.30	60.10	58.60	57.60	57.60	56.60	55.00
Calves (\$/cwt.)	64.46	60.18	62.13	56.10	62.30	60.80	59.20	58.50	59.10	57.80
Hogs (\$/cwt.)	43.61	52.78	47.02	44.10	47.50	47.20	49.00	52.00	50.40	46.60
Lambs (\$/cwt.)	55.38	54.55	55.48	47.50	60.60	59.50	57.50	58.60	61.00	62.20
All milk, sold to plants (\$/cwt.)	13.76	13.59	13.57	13.50	13.10	13.00	12.80	12.90	13.10	13.40
Milk, manuf. grade (\$/cwt.)	12.73	12.66	12.63	12.50	12.30	12.10	12.00	12.10	12.10	12.50
Broilers (cts./lb.)	28.4	26.8	28.5	32.8	34.8	33.5	33.2	35.6	30.6	32.1
Eggs (cts./doz.) ²	62.8	59.3	60.7	65.6	91.4	68.9	61.0	59.9	58.6	58.4
Turkeys (cts./lb.)	38.5	37.5	36.5	39.5	43.3	42.7	42.5	44.0	45.2	46.6
Wool (cts./lb.) ³	91.1	68.0	61.5	57.2	86.1	87.8	87.7	86.4	83.5	76.1

¹ Equivalent on-tree returns. ² Average of all eggs sold by producers including hatching eggs and eggs sold at retail. ³ Average local market price, excluding incentive payments. *Calendar year averages. p = preliminary.

Producer and Consumer Prices

Consumer Price Index for all urban consumers, U.S. average (not seasonally adjusted)

	Annual	1983								
	1983	Aug	Jan	Feb	Mar	Apr	May	June	July	Aug
1967=100										
Consumer price index, all items	298.4	300.3	305.2	306.6	307.3	308.8	309.7	310.7	311.7	313.0
Consumer price index, less food	298.3	300.5	304.8	305.9	306.8	308.6	310.0	311.0	312.0	313.2
All food	291.7	292.2	299.4	302.1	302.2	302.3	301.4	302.0	303.2	304.8
Food away from home	319.9	321.0	327.2	328.5	329.8	330.9	332.6	333.1	334.4	335.5
Food at home	282.2	282.5	290.2	293.6	293.1	292.8	290.7	291.4	292.5	294.4
Meats ¹	267.2	264.2	266.4	270.0	268.8	268.9	267.9	266.8	267.3	269.9
Beef and veal	272.3	270.7	274.9	280.9	279.9	280.8	278.3	274.2	272.1	274.3
Pork	255.8	249.6	250.8	250.6	248.6	247.7	248.0	250.5	255.5	259.9
Poultry	197.5	200.5	217.5	225.5	223.2	222.3	218.0	219.6	221.3	216.5
Fish	374.9	372.7	383.4	386.2	385.3	387.3	380.8	382.3	387.0	387.0
Eggs	187.1	183.7	266.5	270.3	237.2	249.6	218.9	185.8	182.7	179.3
Dairy products ²	250.0	250.2	250.8	250.9	250.8	251.5	251.0	251.7	252.2	252.7
Fats and oils ³	263.1	258.1	279.7	281.1	280.7	282.4	282.9	285.4	291.4	295.4
Fruits and vegetables	292.2	299.4	311.0	321.0	323.2	315.3	310.2	318.1	320.0	327.7
Fresh	297.6	310.7	327.6	342.8	344.3	326.5	316.0	329.7	332.4	345.7
Processed	286.8	289.5	295.1	299.9	302.8	305.7	306.5	308.0	309.2	310.7
Cereals and bakery products	292.5	294.0	299.8	300.3	301.5	302.8	303.5	304.9	306.6	307.8
Sugar and sweets	374.4	375.8	380.0	381.2	384.8	387.7	390.0	391.2	391.8	392.6
Beverages, nonalcoholic	432.2	430.7	439.1	441.8	443.5	443.6	441.7	442.3	442.7	441.5
Apparel commodities less footwear	180.8	181.9	179.8	179.3	182.3	182.6	181.7	179.8	178.9	183.1
Footwear	206.9	205.7	206.7	206.4	207.7	208.9	210.2	209.6	208.0	207.7
Tobacco products	291.0	297.7	304.3	305.4	305.6	305.9	305.9	308.1	313.2	313.9
Beverages, alcoholic	216.5	217.1	219.0	219.9	220.7	221.3	221.5	222.4	222.5	222.9

¹ Beef, veal, lamb, pork, and processed meat. ² Includes butter. ³ Excludes butter.

Producer price indexes, U.S. average (not seasonally adjusted)

	Annual			1983		1984				
	1981	1982	1983 p	Aug	Mar	Apr	May	June	July	Aug
	1967=100									
Finished goods ¹	269.8	280.6	285.2	286.1	291.4	291.2	291.5	291.2	292.6	291.8
Consumer foods	253.6	259.3	261.8	260.7	276.6	274.3	272.3	270.8	275.6	274.2
Fresh fruit	228.9	236.9	251.2	270.5	220.3	213.2	239.4	259.7	251.1	268.0
Fresh and dried vegetables	278.0	246.5	248.9	248.4	367.4	283.5	240.2	262.5	284.8	294.6
Eggs	187.1	178.7	n.a.	189.5	235.8	264.4	201.0	177.9	184.9	181.2
Bakery products	268.2	275.4	285.7	287.0	295.7	294.5	295.6	298.9	300.6	301.3
Meats	239.0	250.6	236.7	231.2	239.5	239.8	235.8	233.1	245.1	239.1
Beef and veal	246.8	245.0	236.7	231.1	253.8	247.4	238.6	231.5	237.5	231.0
Pork	218.1	251.1	227.6	222.6	208.7	218.0	219.7	224.0	252.4	240.9
Poultry	193.3	178.7	185.0	189.5	218.2	211.5	206.6	200.7	208.0	194.3
Fish	377.8	422.4	448.2	420.4	588.4	566.5	556.2	449.1	468.3	463.0
Dairy products	245.6	248.9	250.6	250.4	249.0	249.2	248.9	249.4	251.4	251.0
Processed fruits and vegetables	261.2	274.5	277.1	278.3	293.2	295.6	297.4	298.2	296.5	296.4
Shortening and cooking oils	238.0	234.4	256.1	250.6	290.9	297.8	322.8	329.5	320.2	317.9
Consumer finished goods less foods	276.5	287.8	291.4	293.5	293.6	293.5	295.1	295.3	295.4	294.4
Beverages, alcoholic	189.5	197.8	205.0	206.5	207.8	210.0	211.6	208.0	211.0	210.1
Soft drinks	305.1	319.1	327.4	326.8	337.1	337.6	340.0	338.5	340.7	342.5
Apparel	186.0	194.4	197.1	198.7	200.7	200.3	201.2	200.7	201.9	201.8
Footwear	240.9	245.0	250.1	250.9	253.3	251.8	251.8	250.3	250.1	250.9
Tobacco products	268.3	323.2	365.3	376.7	390.3	390.4	390.6	400.2	407.9	407.6
Intermediate materials ²	306.0	310.4	312.3	314.0	319.7	320.3	320.8	321.6	321.7	321.1
Materials for food manufacturing	260.4	255.1	258.4	260.5	269.6	271.4	276.6	274.7	276.8	272.7
Flour	191.9	183.4	186.4	188.9	184.2	188.3	187.2	190.6	188.9	183.4
Refined sugar ³	171.6	161.3	172.0	173.0	174.2	174.5	174.6	174.4	174.5	174.3
Crude vegetable oils	185.4	180.1	193.8	222.9	247.7	253.6	306.7	298.4	277.6	267.9
Crude materials ⁴	329.0	319.5	323.6	327.1	338.8	339.4	338.5	333.2	334.5	329.3
Foodstuffs and feedstuffs	257.4	247.8	252.2	256.4	269.9	269.7	267.2	260.7	264.0	256.9
Fruits and vegetables ⁵	267.3	253.7	261.7	270.4	307.0	262.8	251.1	272.9	281.2	293.3
Grains	248.4	210.9	240.4	251.8	250.9	262.1	256.2	257.8	248.9	236.9
Livestock	248.0	257.8	243.1	242.2	260.8	260.8	254.8	250.0	260.1	253.7
Poultry, live	201.2	191.9	206.5	221.4	258.4	240.8	240.6	227.7	259.2	218.6
Fibers, plant and animal	242.0	202.9	227.0	240.7	250.3	252.3	259.1	252.7	235.8	211.3
Milk	287.4	282.5	282.0	281.7	274.2	272.7	271.7	271.8	273.9	276.8
Oilseeds	277.6	214.5	245.3	267.3	274.9	280.1	298.7	281.9	249.8	245.7
Coffee, green	330.1	311.5	300.1	301.3	301.3	310.2	310.2	310.2	310.2	310.2
Tobacco, leaf	246.9	269.9	274.2	n.a.	n.a.	n.a.	274.6	261.0	261.0	275.0
Sugar, raw cane	272.7	278.5	315.9	321.4	314.8	314.4	315.4	315.5	315.7	311.0
All commodities	293.4	299.3	303.1	304.7	311.0	311.3	311.7	311.4	312.0	310.9
Industrial commodities	304.1	312.3	315.8	317.3	321.9	322.6	323.3	323.9	324.0	323.5
All foods ⁶	251.8	254.4	257.5	257.1	273.5	271.6	269.8	267.6	272.1	270.1
Farm products and processed foods and feeds	251.5	248.9	253.9	255.5	267.9	267.3	266.3	262.7	265.2	261.6
Farm products	254.9	242.4	248.2	253.5	267.4	265.4	260.8	257.1	258.6	253.2
Processed foods and feeds	248.7	251.5	256.0	255.5	267.1	267.2	268.3	264.8	267.7	265.2
Cereal and bakery products	255.5	253.8	260.9	262.8	267.4	268.3	268.6	271.5	272.2	271.8
Sugar and confectionery	275.9	269.7	292.8	298.9	301.1	301.9	303.6	304.0	305.3	304.1
Beverages	248.0	256.9	263.6	263.9	269.9	271.4	273.6	271.7	273.8	274.2

¹ Commodities ready for sale to ultimate consumer. ² Commodities requiring further processing to become finished goods. ³ All types and sizes of refined sugar. ⁴ Products entering market for the first time which have not been manufactured at that point. ⁵ Fresh and dried. ⁶ Includes all raw, intermediate, and processed foods (excludes soft drinks, alcoholic beverages, and manufactured animal feeds). n.a. = not available.

Farm-Retail Price Spreads

Market basket of farm foods

	Annual			1983	1984					
	1981	1982	1983 p	Aug	Mar	Apr	May	June	July	Aug
Market basket¹										
Retail cost (1967=100)	257.1	266.4	268.7	269.2	279.9	279.4	277.4	278.0	279.0	281.4
Farm value (1967=100)	243.0	245.7	240.3	241.9	255.4	259.5	252.2	250.2	253.7	253.3
Farm-retail spread (1967=100)	265.4	278.6	285.5	285.2	294.3	291.1	292.2	294.3	293.9	297.9
Farm value/retail cost (%)	35.0	34.2	33.1	33.3	33.8	34.4	33.7	33.3	33.7	33.4
Meat products										
Retail cost (1967=100)	257.8	270.3	267.2	264.2	268.8	268.9	267.9	266.8	267.3	269.9
Farm value (1967=100)	235.5	251.3	235.8	230.9	242.4	250.1	242.7	237.5	247.3	247.2
Farm-retail spread (1967=100)	284.0	292.4	304.0	303.2	300.0	291.0	297.4	301.2	290.7	296.5
Farm value/retail cost (%)	49.3	50.2	47.6	47.2	48.6	50.2	48.9	48.0	49.9	49.4
Dairy products										
Retail cost (1967=100)	243.6	247.0	250.0	250.2	250.8	251.5	251.0	251.7	252.2	252.7
Farm value (1967=100)	265.9	261.9	262.1	262.0	253.6	252.5	253.8	253.8	257.0	254.5
Farm-retail spread (1967=100)	224.1	233.9	239.3	239.9	248.3	250.6	248.6	249.8	248.0	251.1
Farm value/retail cost (%)	51.0	49.6	49.0	48.9	47.3	47.0	47.3	47.2	47.6	47.1
Poultry										
Retail cost (1967=100)	198.6	194.9	197.5	200.5	223.2	222.3	218.0	219.6	221.3	216.5
Farm value (1967=100)	210.2	201.9	213.0	226.2	268.5	254.5	246.2	244.3	259.5	233.7
Farm-retail spread (1967=100)	187.4	188.1	182.4	175.6	179.3	191.1	190.7	195.7	184.4	199.9
Farm value/retail cost (%)	52.0	50.7	53.1	55.5	59.2	56.3	55.5	54.7	57.7	53.1
Eggs										
Retail cost (1967=100)	183.8	178.7	187.1	183.7	237.2	249.6	218.9	185.8	182.7	179.3
Farm value (1967=100)	206.5	189.8	206.1	207.0	263.4	313.1	223.3	192.8	189.2	184.4
Farm-retail spread (1967=100)	150.9	162.7	159.5	150.1	199.4	157.8	212.4	175.7	173.3	171.9
Farm value/retail cost (%)	66.4	62.8	65.1	66.6	65.6	74.1	60.3	61.3	61.2	60.8
Cereal and bakery products										
Retail cost (1967=100)	271.1	283.4	292.5	294.0	301.5	302.8	303.5	304.9	306.6	307.8
Farm value (1967=100)	204.4	178.8	186.6	194.3	194.7	203.4	203.9	199.4	188.5	185.3
Farm-retail spread (1967=100)	284.9	305.1	314.0	314.6	323.6	323.4	324.1	326.7	331.0	333.1
Farm value/retail cost (%)	12.9	10.8	11.1	11.3	11.1	11.5	11.5	11.2	10.5	10.3
Fresh fruits										
Retail cost (1967=100)	286.1	323.2	303.6	339.8	310.8	313.3	330.1	358.9	364.2	374.0
Farm value (1967=100)	238.8	288.8	220.6	244.3	252.9	255.8	282.0	340.8	309.5	346.9
Farm-retail spread (1967=100)	307.3	338.7	340.8	382.7	336.8	339.1	351.7	367.0	388.7	386.2
Farm value/retail cost (%)	25.9	27.7	22.5	22.3	25.2	25.3	26.5	29.4	26.3	28.7
Fresh vegetables										
Retail costs (1967=100)	287.4	288.9	299.3	293.8	385.4	347.4	316.8	317.1	318.8	338.7
Farm value (1967=100)	285.6	261.3	267.4	274.5	369.1	332.0	268.5	289.8	315.9	370.3
Farm-retail spread (1967=100)	288.3	301.8	314.3	302.9	393.0	354.7	339.5	329.9	320.2	323.8
Farm value/retail cost (%)	31.8	28.9	28.6	29.9	30.6	30.6	27.1	29.2	31.7	35.0
Processed fruits and vegetables										
Retail cost (1967=100)	271.5	286.0	288.8	289.5	302.8	305.7	306.5	308.0	309.2	310.7
Farm value (1967=100)	290.6	269.2	252.5	255.6	265.3	265.5	277.1	280.9	280.5	280.3
Farm-retail spread (1967=100)	267.3	289.7	296.8	297.1	311.1	314.6	313.0	314.0	315.6	317.4
Farm value/retail cost (%)	19.4	17.1	15.8	16.0	15.9	15.7	16.4	16.5	16.4	16.4
Fats and oils										
Retail cost (1967=100)	267.1	259.9	263.1	258.1	280.7	282.4	282.9	285.4	291.4	295.4
Farm value (1967=100)	262.4	207.8	251.0	282.2	330.1	344.6	408.0	380.2	325.6	296.4
Farm-retail spread (1967=100)	268.9	279.9	267.8	248.8	261.7	258.4	234.8	248.9	278.3	295.0
Farm value/retail cost (%)	27.3	22.2	26.5	30.4	32.7	33.9	40.1	37.0	31.0	27.9

¹ Retail costs are based on indexes of retail prices for domestically produced farm foods from the CPI-U published monthly by the Bureau of Labor Statistics. The farm value is the payment to farmers for quantity of farm product equivalent to retail unit, less allowance for byproduct. Farm values are based on prices at first point of sale and may include marketing charges such as grading and packing for some commodities. The farm-retail spread, the difference between the retail price and the farm value, represents charges for assembling, processing, transporting, and distributing these foods.

Note: Annual historical data on farm-retail price spreads may be found in Food Consumption, Prices and Expenditure, Statistical Bulletin 702, ERS, USDA.

Farm-retail price spreads

	Annual			1983	1984					
	1981	1982	1983	Aug	Mar	Apr	May	June	July	Aug
Beef, Choice										
Retail price ¹ (cts./lb.)	238.7	242.5	238.1	238.6	244.6	244.8	241.9	239.7	236.3	237.1
Net carcass value ² (cts.)	149.3	150.7	145.4	140.4	155.0	152.9	146.9	144.4	148.5	144.0
Net farm value ³ (cts.)	138.5	140.5	136.2	130.6	147.5	145.5	137.8	136.7	140.9	137.0
Farm-retail spread (cts.)	100.2	102.0	101.9	108.1	97.1	99.3	104.1	103.0	95.4	100.1
Carcass-retail spread ⁴ (cts.)	89.4	91.8	92.7	98.2	89.6	91.9	95.0	95.3	87.8	93.1
Farm-carcass spread ⁵ (cts.)	10.8	10.2	9.2	9.9	7.5	7.4	9.1	7.7	7.6	7.0
Farm value/retail price (%)	58	58	57	55	60	59	57	57	60	58
Pork										
Retail price ¹ (cts./lb.)	152.4	175.4	169.8	165.7	159.4	159.8	158.6	159.9	162.2	166.1
Wholesale value ² (cts.)	106.7	121.8	108.9	109.1	103.8	107.1	110.6	110.8	117.9	115.9
Net farm value ³ (cts.)	70.3	88.0	78.5	78.4	74.1	76.0	75.6	80.0	85.9	82.6
Farm-retail spread (cts.)	82.1	87.4	93.3	87.3	85.3	83.8	83.0	79.9	76.3	83.5
Wholesale-retail spread ⁴ (cts.)	45.7	53.6	60.9	56.6	55.6	52.7	48.0	49.1	44.3	50.2
Farm-wholesale spread ⁵ (cts.)	36.4	33.8	32.4	30.7	29.7	31.1	35.0	30.8	32.0	33.3
Farm value/retail price (%)	46	50	45	47	46	48	48	50	53	50

¹ Estimated weighted average price of retail cuts from pork and yield grade 3 beef carcasses. Retail prices from BLS. ² Value of carcass quantity equivalent to 1 lb. of retail cuts, beef adjusted for value of fat and bone byproducts. ³ Market value to producer for quantity of live animal equivalent to 1 lb. retail cuts minus value of byproducts. ⁴ Represents charges for retailing and other marketing services such as fabricating, wholesaling, and in-city transportation. ⁵ Represents charges made for livestock marketing, processing, and transportation to city where consumed.

Transportation Data

Rail rates; grain and fruit-vegetable shipments

	Annual			1983	1984					
	1981	1982	1983	Aug	Mar	Apr	May	June	July	Aug
Rail freight rate index¹										
All products (1969=100)	327.6	351.4	355.8	355.4	371.0	371.1	371.1p	371.1p	372.4p	372.4p
Farm products (1969=100)	315.0	337.2	342.9	342.5	357.7	357.7	357.7p	357.7p	359.0p	359.0p
Grain (Dec. 1978=100)	148.1	159.5	160.2	160.2	167.2	161.2	167.2p	167.2p	167.9p	167.9p
Food products (1969=100)	329.4	353.2	356.8	356.4	371.9	371.9	371.9p	371.9p	373.2p	373.2p
Rail carloadings of grain (thou. cars) ²	26.3	24.9	26.1	30.0	27.7	27.0	23.6	24.3	26.6	28.7
Barge shipments of grain (mil. bu.) ³	37.9	41.2	40.8	42.0	36.8	38.7	36.5	36.3	33.7	31.8
Fresh fruit and vegetable shipments										
Piggy back (thousand cwt.) ⁴	262	387	551	529	617	666	792	811	633	520
Rail (thou. cwt.) ⁴	888	698	769	629	755	628	825	934	476	266
Truck (thou. cwt.) ⁴	7,769	7,849	7,873	7,421	7,510	8,817	9,654	10,337	9,754	7,923

¹ Department of Labor, Bureau of Labor Statistics, revised April 1982. ² Weekly average; from Association of American Railroads. ³ Weekly average; from Agricultural Marketing Service, USDA. ⁴ Preliminary data for 1984, p = preliminary.

Livestock and Products

Poultry and eggs

	Annual			1983	1984					
	1981	1982	1983 p	Aug	Mar	Apr	May	June	July	Aug
Broilers										
Federally inspected slaughter, certified (mil. lb.)	11,906	12,039	12,381	1,113.5	1,068.8	1,052.2	1,184.4	1,113.5	1,081.8	—
Wholesale price, 9-city, (cts./lb.) ¹	46.3	44.0	49.4	54.2	62.0	56.0	57.6	55.5	57.3	51.5
Price of broiler grower feed (\$/ton)	227	210	223	228	242	246	246	243	233	225
Broiler-feed price ratio (lb.) ¹	2.6	2.5	2.6	2.8	3.1	2.8	2.7	2.7	3.0	2.7
Broilers, stocks beginning of period (mil. lb.)	22.4	32.6	22.3	21.4	16.4	14.4	20.6	21.7	17.4	22.5
Average weekly placements of broiler chicks, 19 States (mil.)	77.1	80.2	80.4	79.4	85.2	86.6	86.8	87.5	84.0	84.4
Turkeys										
Federally inspected slaughter, certified (mil. lb.)	2,509	2,459	2,563	223.3	155.1	162.9	202.4	223.3	236.8	—
Wholesale price, New York, 8-16 lb. young hens (cts./lb.)	60.7	60.8	60.5	57.6	66.1	67.0	66.8	67.0	68.6	72.4
Price of turkey grower feed (\$/ton)	249	229	247	252	252	258	258	254	246	238
Turkey-feed price ratio (lb.) ¹	3.1	3.3	2.9	2.8	3.3	3.4	3.3	3.3	3.6	3.8
Turkeys, stocks beginning of period (mil. lb.)	198.0	238.4	203.9	323.5	145.8	149.4	142.2	180.9	226.3	278.2
Poults placed in U.S. (mil.)	(*)	(*)	181.8	12.6	18.3	19.1	21.1	20.4	18.8	13.5
Eggs										
Farm production (mil.)	69,859	69,680	67,863	5,635	5,798	5,644	5,738	5,521	5,739	5,753
Average number of layers on farms (mil.)	288	286	276	270	278	278	276	277	276	276
Rate of lay (eggs per layer)	243	243	247	20.8	20.8	20.3	20.8	20.0	20.8	20.8
Cartoned price, New York, grade A large (cts./doz.) ¹	73.2	70.1	75.2	76.5	91.0	103.7	75.9	70.7	71.5	68.8
Price of laying feed (\$/ton)	210	190	204	208	214	214	214	212	209	202
Egg-feed price ratio (lb.) ¹	6.0	6.1	6.1	6.1	7.4	8.5	6.4	5.8	5.7	5.8
Stocks, first of month										
Shell (thou. cases)	31	34	34	24	17	36	35	41	42	29
Frozen (mil. lb.)	24.3	23.7	25.4	20.4	11.4	12.0	12.7	12.8	16.4	17.5
Replacement chicks hatched (mil.)	454	444	407	30.9	45.1	47.2	48.8	46.5	37.8	35.1

¹ 12-city composite weighted average beginning April 25, 1983. ² Pounds of feed equal in value to 1 dozen eggs or 1 lb. of broiler or turkey liveweight. ³ Price of cartoned eggs to volume buyers for delivery to retailers. ⁴ Not reported.

Wool

	Annual			1983	1984					
	1981	1982	1983	Aug	Mar	Apr	May	June	July	Aug
U.S. wool price, Boston ¹ (cts./lb.)	278	247	212	223	230	245	234	230	230	230
Imported wool price, Boston ² (cts./lb.)	292	262	248	246	257	252	248	243	231	232
U.S. mill consumption, scoured										
Apparel wool (thou. lb.)	127,752	105,857	126,729	9,975	14,034	11,437	12,144	13,128	8,584	n.a.
Carpet wool (thou. lb.)	10,896	9,825	11,400	1,072	991	1,009	960	986	631	n.a.

¹ Wool price delivered at U.S. mills, clean basis, Graded Territory 64's (20.60-22.04 microns) staple 2 3/4" and up. ² Wool price delivered at U.S. mills, clean basis, Australian 60/62's, type 64A (24 micron). Duty since 1982 has been 10.0 cents. n.a. = not available.

	Annual			1983	1984					
	1981	1982	1983	Aug	Mar	Apr	May	June	July	Aug
Milk prices, Minnesota-Wisconsin,										
3.5% fat (\$/cwt.) ¹	12.57	12.48	12.49	12.48	12.08	12.07	12.08	12.09	12.17	12.30
Price of 16% dairy ration (\$/ton)	192	177	188	189	199	199	197	195	192	188
Milk-feed price ratio (lb.) ²	1.43	1.54	1.45	1.41	1.33	1.32	1.31	1.31	1.34	1.39
Wholesale prices										
Butter, Grade A Chl. (cts./lb.)	148.0	147.7	147.3	147.8	142.1	142.9	142.9	150.0	155.6	150.8
Am. cheese, Wis. assembly pt. (cts./lb.)	139.4	138.3	138.3	137.1	135.9	135.9	135.9	136.0	136.7	138.6
Nonfat dry milk, (cts./lb.) ³	93.1	93.2	93.2	93.4	90.7	90.7	90.7	90.7	90.7	90.7
USDA net removals										
Total milk equiv. (mil. lb.) ⁴	12,860.9	14,281.6	16,813.5	1,178.6	1,037.9	944.0	1,090.2	706.5	613.7	251.6
Butter (mil. lb.)	351.5	382.0	413.2	16.6	28.2	19.2	22.2	4.1	.9	1.6
Am. cheese (mil. lb.)	563.0	642.5	832.8	84.2	45.7	55.1	63.1	62.8	49.9	21.8
Nonfat dry milk (mil. lb.)	851.3	948.1	1,061.0	104.0	65.1	71.1	86.8	72.3	64.3	52.3
Milk										
Total milk production (mil. lb.)	133,013	135,802	139,968	11,692	11,741	11,674	12,283	11,832	11,570	11,243
Milk per cow (lb.)	12,177	12,309	12,587	1,051	1,078	1,075	1,132	1,091	1,069	1,038
Number of milk cows (thou.)	10,923	11,033	11,120	11,129	10,890	10,856	10,851	10,848	10,821	10,833
Stocks, beginning										
Total milk equiv. (mil. lb.) ⁴	12,958	18,377	20,054	24,459	23,576	23,610	23,323	23,772	23,332	22,826
Commercial (mil. lb.)	5,752	5,398	4,603	6,479	5,303	5,348	5,261	6,557	5,610	5,574
Government (mil. lb.)	7,207	12,980	15,451	18,979	18,273	18,262	18,062	18,214	17,722	17,052
Imports, total equiv. (mil. lb.) ⁴	2,329	2,477	2,616	179	172	223	221	167	274	n.a.
Commercial disappearance										
Milk equiv. (mil. lb.)	120,531	122,443	122,790	10,601	10,535	10,785	10,839	10,955	11,102	n.a.
Butter										
Production (mil. lb.)	1,228.2	1,257.0	1,299.2	84.6	111.1	106.2	105.9	80.3	72.8	n.a.
Stocks, beginning (mil. lb.)	304.6	429.2	466.8	588.4	632.5	529.3	532.4	535.5	516.7	489.6
Commercial disappearance (mil. lb.)	869.2	897.3	881.7	67.2	85.7	87.3	78.4	79.9	71.4	n.a.
American cheese										
Production (mil. lb.)	2,642.3	2,752.3	2,927.6	228.8	247.6	250.3	269.7	257.2	230.2	n.a.
Stocks, beginning (mil. lb.)	591.5	889.1	981.4	1,144.7	1,187.2	1,198.6	1,161.4	1,186.8	1,183.9	1,165.7
Commercial disappearance (mil. lb.)	2,147.9	2,166.8	2,083.2	158.0	191.8	208.0	197.2	185.6	190.7	n.a.
Other cheese										
Production (mil. lb.)	1,635.3	1,789.4	1,890.8	152.6	165.3	165.0	167.1	162.5	157.6	n.a.
Stocks, beginning (mil. lb.)	99.3	86.6	82.8	111.3	103.4	100.2	101.0	104.5	104.3	107.2
Commercial disappearance (mil. lb.)	1,875.6	2,044.6	2,133.3	175.1	186.2	185.8	187.0	181.6	184.4	n.a.
Nonfat dry milk										
Production (mil. lb.)	1,314.3	1,400.5	1,499.9	125.3	109.2	113.8	128.5	119.8	111.7	n.a.
Stocks, beginning (mil. lb.)	586.8	889.7	1,282.0	1,439.6	1,404.3	1,421.0	1,442.6	1,420.7	1,421.2	1,407.2
Commercial disappearance (mil. lb.)	464.1	447.7	459.9	34.9	48.2	34.7	34.2	47.8	49.1	n.a.
Frozen dessert production (mil. gal.)⁵										
	1,167.7	1,178.2	1,221.5	129.3	106.9	102.3	117.6	129.3	127.0	n.a.

¹ Manufacturing grade milk. ² Pounds of 16% protein ration equal in value to 1 pound of milk. ³ Prices paid f.o.b. Central States production area, high heat spray process. ⁴ Milk-equivalent, fat-solids basis. ⁵ Ice cream, ice milk, and sherbet. n.a. = not available.

Meat animals

	Annual			1983	1984					
	1981	1982	1983	Aug	Mar	Apr	May	June	July	Aug
Cattle on feed (7-States)										
Number on feed (thou. head) ¹	7,863	7,201	6,316	6,861	7,515	7,568	7,376	7,318	7,125	6,811
Placed on feed (thou. head)	17,814	20,261	19,727	1,582	1,764	1,515	1,798	1,455	1,323	1,665
Marketings (thou. head)	17,198	16,007	18,680	1,651	1,594	1,523	1,637	1,554	1,553	1,668
Other disappearance (thou. head)	1,263	1,139	1,354	88	117	184	219	94	84	61
Beef steer-corn price ratio,										
Omaha (bu.) ²	22.2	26.6	20.6	18.1	21.1	20.4	19.7	19.1	20.4	20.7
Hog-corn price ratio, Omaha (bu.) ²	15.5	22.9	15.9	14.6	14.5	14.5	14.3	14.8	16.6	16.8
Market prices (\$ per cwt.)										
Slaughter cattle										
Choice steers, Omaha	63.84	64.30	62.52	61.27	68.60	67.86	65.89	64.28	65.79	64.36
Utility cows, Omaha	41.93	39.96	39.35	39.63	44.01	42.88	42.17	42.16	41.48	40.86
Choice vealers, S. St. Paul	77.16	77.70	72.97	75.00	77.50	77.50	78.00	75.47	58.12	52.50
Feeder cattle										
Choice, Kansas City, 600-700 lb.	66.24	64.82	63.70	58.58	67.42	67.51	65.70	62.70	63.80	64.04
Slaughter hogs										
Barrows and gilts, 7-markets	44.45	55.44	47.71	49.35	46.83	48.30	48.06	50.36	54.04	52.26
Feeder pigs										
S. Mo. 40-50 lb. (per head)	35.40	51.14	33.96	24.01	50.12	51.08	42.85	39.48	34.27	34.22
Slaughter sheep and lambs										
Lambs, Choice, San Angelo	58.40	56.44	57.40	51.30	58.50	65.88	63.50	59.88	59.83	58.62
Ewes, Good, San Angelo	26.15	21.80	16.85	14.45	22.88	22.25	13.45	15.56	18.00	17.70
Feeder lambs										
Choice, San Angelo	56.86	52.97	54.87	43.62	60.00	65.75	57.00	53.12	54.25	57.81
Wholesale meat prices, Midwest										
Choice steer beef, 600-700 lb.	99.84	101.31	97.83	95.01	105.14	103.50	99.62	98.54	101.26	97.61
Canner and Cutter cow beef	84.06	78.96	78.48	81.58	83.62	80.51	75.85	76.25	75.88	75.07
Pork loins, 8-14 lb. ³	96.56	111.51	—	—	88.75	91.86	95.31	97.59	114.92	102.41
Pork bellies, 12-14 lb.	52.29	76.54	60.58	65.72	56.04	58.28	57.38	67.12	64.75	62.17
Hams, skinned, 14-17 lb.	77.58	91.47	75.60	72.81	78.00	77.52	74.44	72.03	73.46	78.22
Commercial slaughter (thou. head)*										
Cattle	34,953	35,843	36,649	3,369	3,090	2,854	3,300	3,187	3,126	3,394
Steers	17,508	17,277	17,486	1,612	1,517	1,395	1,632	1,571	1,441	1,531
Heifers	10,027	10,394	10,758	1,010	870	760	898	879	935	998
Cows	6,643	7,354	7,597	669	648	627	703	669	680	786
Bulls and stags	775	818	808	77	62	64	73	72	70	79
Calves	2,798	3,021	3,076	286	285	249	255	242	275	314
Sheep and lambs	6,008	6,449	6,619	608	600	616	574	517	529	583
Hogs	91,575	82,190	87,584	7,311	7,802	7,161	7,366	6,594	6,002	6,844
Commercial production (mil. lb.)										
Beef	22,214	22,366	23,060	2,118	1,937	1,776	2,059	1,984	1,935	2,111
Veal	415	423	428	33	40	36	39	38	39	44
Lamb and mutton	327	356	367	33	35	34	31	27	28	31
Pork	15,716	14,121	15,117	1,250	1,338	1,233	1,281	1,156	1,040	1,175

¹ Beginning of period. ² Bushels of corn equal in value to 100 pounds liveweight. ³ Beginning January 1984 prices are for 14-17 lbs. * Quarters are Dec. Preceding year-Feb. (I), Mar.-May (II), June-Aug. (III), and Sept.-Nov. (IV). † Intentions. ‡ Classes estimated.

Crops and Products

Food grains

	Marketing year ¹			1983	1984					
	1980/81	1981/82	1982/83	Aug	Mar	Apr	May	June	July	Aug
Wholesale prices										
Wheat, No. 1 HRW, Kansas City (\$/bu.) ²	4.45	4.27	3.94	3.88	3.85	3.93	3.72	3.80	3.67	3.80
Wheat, DNS, Minneapolis (\$/bu.) ²	4.46	4.17	3.94	4.21	4.20	4.28	4.39	4.40	4.21	3.72
Rice, S.W. La. (\$/cwt.) ³	25.95	20.20	18.00	19.00	19.25	19.25	19.25	19.25	19.25	19.25
Wheat										
Exports (mil. bu.)	1,514	1,771	1,509	969	129	105	121	113	138	n.a.
Mill grind (mil. bu.)	643	631	656	65	58	54	60	54	51	n.a.
Wheat flour production (mil. cwt.)	290	280	292	28	26	24	26	26	n.a.	n.a.
	Marketing year ¹			1983				1984		
	1980/81	1981/82	1982/83	Jan-Mar	Apr-May	June-Sept	Oct-Dec	Jan-Mar	Apr-May p	June-Sept p
Wheat										
Stocks, beginning (mil. bu.)	902	989	1,159	2,506	1,862	1,515	2,955	2,326	1,756	1,394
Domestic use										
Food (mil. bu.)	810	602	616	151	97	210	161	163	96	n.a.
Feed and seed (mil. bu.) ⁴	186	254	318	53	12	316	118	44	42	n.a.
Exports (mil. bu.)	1,514	1,771	1,509	442	228	475	362	364	226	n.a.

¹ Beginning June 1 for wheat and August 1 for rice. ² Ordinary protein. ³ Long-grain, milled basis. ⁴ Feed use approximated by residual. n.a. = not available.

Feed grains

	Marketing year ¹			1983	1984					
	1980/81	1981/82	1982/83	Aug	Mar	Apr	May	June	July	Aug
Wholesale prices										
Corn, No. 2 yellow, St. Louis (\$/bu.)	3.35	2.61	2.98	3.68	3.55	3.61	3.58	3.57	3.43	3.33
Sorghum, No. 2 yellow, Kansas City (\$/cwt.)	5.36	4.29	4.96	5.69	5.40	5.36	5.39	5.40	4.95	4.74
Barley, feed, Minneapolis (\$/bu.)	2.60	2.21	1.76	2.42	2.65	2.74	2.77	2.59	2.18	2.13
Barley, malting, Minneapolis (\$/bu.)	3.64	3.06	2.53	2.76	2.91	3.04	3.06	3.04	2.86	2.48
Exports										
Corn (mil. bu.)	2,355	1,967	1,870	120	177	175	164	112	130	136
Feed grains (mil. metric tons) ²	69.4	58.4	54.0	3.7	5.4	5.0	4.6	3.2	3.9	4.0
	Marketing year ¹			1983				1984		
	1980/81	1981/82	1982/83	Jan-Mar	Apr-May	June-Sept	Oct-Dec	Jan-Mar	Apr-May p	June-Sept p
Corn										
Stocks, beginning (mil. bu.)	1,618	1,034	2,174	8,205	6,198	4,924	3,120	4,907	3,247	2,137
Domestic use:										
Feed (mil. bu.)	4,133	4,202	4,522	1,330	813	891	1,630	968	584	694
Food, seed, ind. (mil. bu.)	735	812	898	169	153	373	220	184	187	385
Feed grains²										
Stocks, beginning (mil. metric tons)	52.4	34.6	68.2	247.9	188.8	149.5	97.3	159.7	107.8	106.6
Domestic use:										
Feed (mil. metric tons)	123.0	128.5	139.5	39.2	25.8	25.8	51.2	30.7	18.2	20.6
Food, seed, ind. (mil. metric tons)	23.9	25.8	27.9	5.3	5.1	10.9	7.2	5.7	5.9	11.2

¹ Beginning October 1 for corn and sorghum; June 1 for oats and barley. ² Aggregated data for corn, sorghum, oats, and barley.

Fats and oils

	Marketing year ¹			1983	1984					
	1981/82	1982/83	1983/84	Aug	Mar	Apr	May	June	July	Aug
Soybeans										
Wholesale price, No. 1 yellow, Chicago (\$/bu.) ²	6.24	6.11	7.90	8.42	7.80	7.87	8.54	7.87	6.79	6.50
Crushings (mil. bu.)	1,029.7	1,108.0	970	85.6	86.1	74.6	79.3	70.5	n.a.	n.a.
Exports (mil. bu.)	929.1	905.2	760	60.2	78.8	68.5	56.8	41.1	39.1	n.a.
Soybean oil										
Wholesale price, crude, Decatur (cts./lb.)	19.0	20.6	33	21.6	30.1	32.1	39.0	36.0	30.9	n.a.
Production (mil. lb.)	10,979.4	12,040.4	10,689	930.1	972.7	846.6	906.3	803.5	n.a.	n.a.
Domestic disappearance (mil. lb.)	9,536.3	9,857.3	9,600	808.9	780.1	781.6	901.4	834.7	n.a.	n.a.
Exports (mil. lb.)	2,076.3	2,024.7	1,650	125.0	203.1	163.3	208.3	157.3	139.9	n.a.
Stocks, beginning (mil. lb.)	1,736.1	1,102.5	1,261	1,411.3	1,582.8	1,519.6	1,380.1	1,203.1	1,011.8	n.a.
Soybean meal										
Wholesale price, 44% protein, Decatur (\$/ton)	182.52	187.19	200	232.80	196.40	190.00	187.40	174.40	157.60	151.6
Production (thou. ton)	24,634.4	26,713.6	22,491	2,052.8	2,029.2	1,780.3	1,872.2	1,665.0	n.a.	n.a.
Domestic disappearance (thou. ton)	17,714.4	19,306.0	17,300	1,709.0	1,429.9	1,409.4	1,548.1	1,435.3	n.a.	n.a.
Exports (thou. ton)	6,907.5	7,108.7	5,450	330.5	580.8	400.1	315.5	265.7	287.7	n.a.
Stocks, beginning (thou. ton)	182.7	175.2	474	365.2	446.7	460.7	418.6	427.2	391.2	n.a.
Margarine, wholesale price, Chicago (cts./lb.)	41.4	41.4	46.3	51.9	53.2	55.2	61.1	61.6	55.6	55.5

¹ Beginning September 1 for soybeans; October 1 for soybean meal and oil; calendar year for margarine. ² Beginning April 1, 1982, prices based on 30-day delivery, using upper end of the range. n.a. = not available.

Cotton

	Marketing year ¹			1983	1984					
	1980/81	1981/82	1982/83	Aug	Mar	Apr	May	June	July	Aug
U.S. price, SLM: 1-1/16 in. (cts./lb.) ²	83.0	60.5	63.1	72.9	74.89	75.6	79.44	75.00	67.35	63.0
Northern Europe prices										
Index (cts./lb.) ³	93.3	73.8	76.7	90.8	88.43	88.9	88.88	83.71	78.99	75.5
U.S. M 1-3/32" (cts./lb.) ⁴	n.a.	75.9	78.0	88.9	88.20	89.6	91.25	83.00	78.94	75.9
U.S. mill consumption (thou. bales)	5,870.5	5,263.8	5,512.8	480.9	568.8	450.2	462.4	524.0	371.8	428.1
Exports (thou. bales)	5,925.8	6,567.3	5,206.8	402.8	946.8	762.6	589.2	448.8	387.9	—

¹ Beginning August 1. ² Average spot market. ³ Liverpool Outlook "A" index; average of five lowest priced of 10 selected growths. ⁴ Memphis territory growths. n.a. = not available.

Fruit

	Annual			1983	1984					
	1981	1982	1983	Aug	Mar	Apr	May	June	July	Aug
Producer price indexes										
Fresh fruit (1967=100)	226.7	235.4	250.6	269.5	320.3	213.2	239.4	259.7	251.1	268.0
Dried fruit (1967=100)	405.9	409.7	409.3	412.2	405.5	408.8	404.5	405.0	405.3	357.3
Canned fruit and juice (1967=100)	273.8	283.7	286.8	288.0	310.5	309.4	313.6	315.4	315.5	315.4
Frozen fruit and juice (1967=100)	302.8	305.5	300.9	301.2	341.9	349.9	351.9	359.1	353.3	352.8
F.o.b. shipping point prices										
Apples, Yakima Valley (\$/ctn.) ¹	n.a.	n.a.	n.a.	*15.50	*12.30	*12.38	*12.50	*12.25	*12.00	*14.50
Pears, Yakima Valley (\$/box) ²	n.a.	n.a.	n.a.	—	6.56	*7.63	*6.88	*7.17	—	—
Oranges, U.S. avg. (\$/box) ³	11.30	14.10	14.40	23.48	11.00	12.09	13.76	22.03	20.12	14.10
Grapefruit, U.S. avg. (\$/box) ³	10.10	9.36	9.13	10.78	9.96	10.43	10.78	11.87	11.14	10.60
	Year ending			1983	1984					
	1981	1982	1983	Aug	Mar	Apr	May	June	July	Aug
Stocks, ending										
Fresh apples (mil. lb.)	2,676.1	3,082.3	2,980.6	12.0	1,354.4	912.2	396.8	237.8	97.2	6.6
Fresh pears (mil. lb.)	207.9	180.9	250.6	113.2	122.2	80.6	36.8	4.2	6.3	99.6
Frozen fruit (mil. lb.)	545.6	627.5	643.1	609.3	479.9	444.4	406.5	451.4	581.9	704.5
Frozen fruit juices (mil. lb.)	1,127.2	1,157.6	938.1	1,253.0	1,396.2	1,374.7	1,462.4	1,303.9	1,141.9	1,061.8

¹ Red Delicious, Washington, extra fancy, carton tray pack, 80-113's. ² O'Anjou, Washington, standard box wrapped, U.S. No. 1, 90-135's. ³ F.O.B., packed fresh. *Control atmosphere storage. n.a. = not available.

Vegetables

	Annual			1983	1984					
	1981	1982	1983	Aug	Mar	Apr	May	June	July	Aug
Wholesale prices										
Potatoes, white, f.o.b. East (\$/cwt.) . . .	9.39	6.05	7.76	11.58	7.96	8.66	7.05	8.13	13.90	9.37
Iceberg lettuce (\$/crtm.) ¹	5.27	5.92	6.29	5.80	4.13	3.12	3.17	4.46	4.26	7.58
Tomatoes (\$/crtm.) ²	9.06	7.40	8.69	3.72	11.95	8.60	7.75	6.48	7.25	10.45
Wholesale price index, 10 canned veg. (1977=100)	137	137	137	138	145	145	145	147	144	147
Grower price index, fresh commercial veg. (1977=100)	135	120	129	113	160	136	117	112	115	149

¹ Std. carton 24's f.o.b. shipping point. ² 5 x 6-6 x 6, f.o.b. Fla-Cal.

Sugar

	Annual			1983	1984					
	1981	1982	1983	Aug	Mar	Apr	May	June	July	Aug
U.S. raw sugar price, N.Y. (cts./lb.) ¹ . . .	19.73	19.92	22.04	22.55	22.00	22.03	22.01	22.06	21.89	21.72
U.S. deliveries (thou. short tons) ^{2,3} . . .	9,731	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

¹ Spot price reported by N.Y. Coffee and Sugar Exchange. Reporting resumed in mid-August 1979 after being suspended November 3, 1977. ² Raw value. ³ Excludes Hawaii. n.a. = not available.

Tobacco

	Annual			1983	1984					
	1981	1982	1983 p	Aug	Mar	Apr	May	June	July	Aug
Prices at auctions										
Flue-cured (cts./lb.) ¹	166.4	178.6	177.9	169.7	—	—	—	—	—	175.0
Burley (cts./lb.) ¹	180.6	180.3	179.5	—	—	—	—	—	—	—
Domestic consumption²										
Cigarettes (bil.)	640.0	633.0	603.0	54.5	50.8	47.4	50.3	60.5	n.a.	n.a.
Large cigars (mil.)	3,893	3,607	3,565	359.0	297.8	260.5	309.9	324.7	n.a.	n.a.

¹ Crop year July-June for flue-cured, October-September for burley. ² Taxable removals. n.a. = not available.

Coffee

	Annual			1983	1984					
	1981	1982	1983 p	Aug	Mar	Apr	May	June	July	Aug p
Composite green price, N.Y. (cts./lb.) . . .	122.10	132.00	131.51	127.73	146.13	145.46	147.76	144.79	142.88	143.66
Imports, green bean equivalent (mil.lb.) ¹ .	2,248	2,352	2,260	174	199	260	217	136	240	240F
	Annual			1982	1983				1984	
	1981	1982	1983 p	Oct-Dec	Jan-Mar	Apr-June	July-Sept	Oct-Dec	Jan-Mar	Apr-June p
Roastings (mil. lb.) ²	2,324	2,293	2,238	674	554	486	549	650	575	518

¹ Green and processed coffee. ² Instant soluble and roasted coffee. F = Forecast. p = preliminary.

Supply and Utilization: Crops

Supply and utilization: domestic measure¹

	Area			Production	Total supply ²	Feed and residual	Other domestic use	Exports	Total use	Ending stocks	Farm price
	Planted	Harvested	Yield								
	Mil. acres	Bu/acre									
Wheat											
1980/81	80.6	71.0	33.4	2,374	3,279	51	725	1,514	2,290	989	3.91
1981/82	88.9	81.0	34.5	2,799	3,791	142	714	1,771	2,627	1,164	3.65
1982/83*	86.2	77.9	35.5	2,765	3,932	195	713	1,509	2,417	1,515	3.55
1983/84*	76.4	61.4	39.4	2,420	3,939	380	726	1,429	2,545	1,394	3.54
1984/85*	79.5	66.2	38.8	2,571	3,968	350	742	1,525	2,592	1,376	3.30-3.55
Rice											
	Mil. acres	lb/acre				Mil. cwt (rough equiv.)					\$/cwt
1980/81	3.38	3.31	4,413	146.2	172.1	19.7	54.5	91.4	155.6	16.5	12.80
1981/82	3.83	3.79	4,819	182.7	199.6	19.0	59.6	82.0	150.6	49.0	9.05
1982/83*	3.30	3.26	4,710	153.6	203.3	18.9	54.0	68.9	131.8	71.5	8.11
1983/84*	2.19	2.17	4,598	99.7	171.9	15.0	49.7	70.3	125.0	46.9	8.50
1984/85*	2.85	2.80	4,880	136.4	184.5	17.0	55.0	68.0	130.0	54.5	8.00-9.00
Corn											
	Mil. acres	Bu/acre					Mil. bu				\$/bu
1980/81	84.0	73.0	91.0	6,639	8,258	4,133	735	2,355	7,223	1,034	3.11
1981/82	84.1	74.5	108.9	6,119	9,154	4,202	812	1,967	6,980	2,174	2.50
1982/83*	81.9	72.7	113.2	6,235	10,410	4,522	898	1,870	7,290	3,120	2.68
1983/84*	60.2	51.4	81.0	4,166	7,288	3,765	976	1,835	6,575	713	3.25
1984/85*	79.8	71.1	106.3	7,552	8,266	4,100	1,050	2,100	7,250	1,016	2.75-3.05
Sorghum											
	Mil. acres	Bu/acre					Mil. bu				\$/bu
1980/81	15.6	12.5	46.3	579	726	301	11	305	617	109	2.94
1981/82	15.9	13.7	64.0	876	984	428	11	249	688	296	2.39
1982/83*	16.0	14.1	59.1	835	1,131	507	10	214	731	400	2.52
1983/84*	11.7	9.8	48.7	479	879	375	10	225	610	269	2.85
1984/85*	16.2	14.2	57.5	817	1,086	450	10	250	710	376	2.40-2.70
Barley											
	Mil. acres	Bu/acre					Mil. bu				\$/bu
1980/81	8.3	7.3	49.7	361	563	174	175	77	426	137	2.86
1981/82	9.6	9.0	52.4	474	620	198	174	100	473	148	2.45
1982/83*	9.5	9.0	57.2	516	675	241	170	47	458	217	2.23
1983/84*	10.4	9.7	52.3	508	732	278	173	92	543	189	2.50
1984/85*	12.0	11.2	53.9	606	805	250	175	100	525	280	2.20-2.50
Oats											
	Mil. acres	Bu/acre					Mil. bu				\$/bu
1980/81	13.4	8.7	53.0	458	697	432	74	13	520	177	1.79
1981/82	13.6	9.4	54.2	510	688	453	76	7	536	152	1.89
1982/83*	14.0	10.3	57.8	593	749	441	85	3	529	220	1.48
1983/84*	20.3	9.1	52.6	477	727	466	78	2	546	181	1.69
1984/85*	12.2	8.1	58.4	472	673	435	80	3	518	155	1.65-1.95
Soybeans											
	Mil. acres	Bu/acre					Mil. bu				\$/bu
1980/81	70.0	67.9	26.4	1,792	2,151	1,89	1,020	724	1,833	318	7.57
1981/82	67.8	66.4	30.1	2,000	2,318	1,93	1,030	929	2,052	266	6.04
1982/83*	70.9	69.4	31.5	2,190	2,444	1,86	1,108	905	2,099	345	5.69
1983/84*	63.1	61.8	25.3	1,567	1,912	1,77	980	760	1,817	95	7.75
1984/85*	68.2	66.8	30.3	2,026	2,138	1,78	990	800	1,878	260	5.60-7.60
Soybean oil											
							Mil. lbs				c/lb
1980/81	—	—	—	11,270	12,480	—	9,113	1,631	10,744	1,736	22.7
1981/82	—	—	—	10,979	12,715	—	9,535	2,077	11,612	1,103	19.0
1982/83*	—	—	—	12,041	13,144	—	9,858	2,025	11,883	1,261	20.6
1983/84*	—	—	—	10,824	12,085	—	9,650	1,700	11,350	735	31.0
1984/85*	—	—	—	11,060	11,850	—	9,700	1,450	11,150	700	25.0-31.0
Soybean meal											
							Thou. tons				\$/ton
1980/81	—	—	—	24,312	24,538	—	17,591	6,784	24,375	163	218
1981/82	—	—	—	24,634	24,797	—	17,714	6,908	24,622	175	183
1982/83*	—	—	—	26,714	26,889	—	19,306	7,109	26,415	474	187
1983/84*	—	—	—	22,706	23,180	—	17,450	5,350	22,800	380	190
1984/85*	—	—	—	23,820	24,220	—	18,200	5,550	23,750	470	145-170

See footnotes at end of table.

Supply and utilization—domestic measure, continued

	Area		Yield	Production	Total supply ²	Feed and residual	Other domestic use	Exports	Total use	Ending stocks	Farm price ³
	Planted	Harvested									
	Mil. acres		lb/acre								c/lb
Cotton											
1980/81	14.5	13.2	404	11.1	14.1	—	5.9	5.9	11.8	\$2.7	74.7
1981/82	14.3	13.8	543	15.6	18.3	—	5.3	6.6	11.8	\$6.6	54.3
1982/83	11.3	9.7	590	12.0	18.6	—	5.5	5.2	10.7	\$7.9	59.4
1983/84	7.9	7.4	506	7.8	15.7	—	5.9	6.8	12.7	\$2.7	66.6
1984/85	11.0	10.4	615	13.3	16.0	—	5.5	6.1	11.6	\$4.6	—

Supply and utilization—metric measure⁶

	Mil. hectares		Metric tons/ha	Mil. metric tons							\$/metric ton
Wheat											
1980/81	32.6	28.7	2.25	64.6	89.2	1.4	19.7	41.2	62.3	26.9	144
1981/82	36.0	32.8	2.32	76.2	103.2	3.9	19.4	48.2	71.5	31.7	134
1982/83*	35.4	32.0	2.39	75.3	107.0	5.3	19.4	41.1	65.8	41.2	130
1983/84*	31.1	24.9	2.65	65.9	107.2	10.4	19.9	38.9	69.2	37.9	130
1984/85*	32.1	26.8	1.57	69.9	107.9	19.5	20.2	41.5	70.6	37.4	121-130
Mil. metric tons (rough equiv.)											
Rice											
1980/81	1.4	1.3	4.95	6.6	7.6	70.4	2.5	4.2	7.1	0.7	282
1981/82	1.5	1.5	5.40	8.3	9.0	70.4	2.7	3.7	6.8	2.2	200
1982/83*	1.3	1.3	5.28	7.0	9.2	70.4	2.5	3.1	6.0	3.2	179
1983/84*	0.9	0.9	5.15	4.5	7.8	70.2	2.3	3.2	5.7	2.1	187
1984/85*	1.2	1.1	5.47	6.2	8.4	70.3	2.5	3.1	5.9	2.5	176-198
Mil. metric tons											
Corn											
1980/81	34.0	29.5	5.72	168.6	209.8	105.0	18.7	59.8	183.5	26.3	122
1981/82	34.0	30.1	6.85	206.2	232.5	106.7	20.6	50.0	177.3	55.2	98
1982/83*	33.1	29.4	7.12	209.2	264.4	114.9	22.8	47.5	185.2	79.3	106
1983/84*	24.4	20.8	5.09	105.8	185.1	95.6	24.8	46.6	167.0	18.1	128
1984/85*	32.3	28.8	6.76	191.8	210.0	104.1	26.7	53.3	164.1	25.9	108-120
Feed Grain											
1980/81	49.1	41.1	4.82	198.0	250.7	123.0	23.8	69.3	216.1	34.6	—
1981/82	49.9	43.1	5.71	246.2	261.1	128.5	25.8	58.6	212.9	68.2	—
1982/83*	49.1	42.9	5.83	250.2	318.7	139.4	28.0	54.0	221.4	97.3	—
1983/84*	41.5	32.4	4.20	136.0	234.0	118.0	29.9	54.4	202.3	31.7	—
1984/85*	48.6	42.3	5.50	232.6	264.9	127.3	31.9	61.9	221.1	43.7	—
Soybeans											
1980/81	28.3	27.5	1.78	48.8	58.5	42.4	27.8	19.7	49.9	8.7	278
1981/82	27.4	26.9	2.03	54.4	63.1	42.5	28.0	25.3	55.8	7.2	222
1982/83*	28.7	28.1	2.15	59.6	66.5	42.4	30.2	24.6	57.2	9.4	209
1983/84*	25.5	25.0	1.23	42.6	52.0	42.0	26.7	20.7	49.4	2.8	290
1984/85*	—	—	—	55.19	58.1	42.1	26.9	21.8	51.1	7.0	220-312
Soybean oil											
1980/81	—	—	—	5.11	5.66	—	4.13	.74	4.87	.79	500
1981/82	—	—	—	4.98	5.77	—	4.33	.94	5.27	.50	419
1982/83*	—	—	—	5.46	5.96	—	4.47	.92	5.39	.57	454
1983/84*	—	—	—	4.91	5.48	—	4.38	.77	5.15	.33	728
1984/85*	—	—	—	5.01	5.37	—	4.39	.66	5.05	.31	573-728
Soybean meal											
1980/81	—	—	—	22.06	22.26	—	15.96	6.15	22.11	.15	241
1981/82	—	—	—	22.36	22.51	—	16.08	6.27	22.35	.16	201
1982/83*	—	—	—	24.24	24.40	—	17.52	6.45	23.97	.43	206
1983/84*	—	—	—	20.60	20.03	—	15.83	4.85	20.68	.35	209
1984/85*	—	—	—	21.61	22.00	—	16.51	5.04	21.55	.44	160-190
\$/kg											
Cotton											
1980/81	5.9	5.4	.45	2.42	3.07	—	1.28	1.28	2.56	\$1.59	1.65
1981/82	5.8	5.6	.61	3.41	3.99	—	1.15	1.43	2.58	\$1.44	1.20
1982/83*	4.6	3.9	.66	2.60	4.05	—	1.20	1.13	2.33	\$1.73	1.31
1983/84*	3.2	3.0	.57	1.69	3.42	—	1.28	1.48	2.76	\$1.59	1.47
1984/85*	4.5	4.2	.69	2.89	3.48	—	1.20	1.32	2.52	\$1.00	—

*September 13, 1984 Supply and Demand Estimates. ¹Marketing year beginning June 1 for wheat, barley, and oats; August 1 for cotton and rice; September 1 for soybeans, and October 1 for corn, sorghum, soybean meal, and soybean oil. ²Includes imports. ³Season average. ⁴Includes seed. ⁵Upland and extra long staple. Stock estimates based on Census Bureau data which results in an unaccounted difference between supply and use estimates and changes in ending stocks. ⁶Conversion factors: Hectare (ha.) = 2.471 acres. 1 metric ton = 2,204.622 pounds. 36,7437 bushels of wheat or soybeans, 39,3679 bushels of corn or sorghum, 49,9296 bushels of barley, 69,8944 bushels of oats, 22,046 cwt. of rice, and 4.59 480-pound bales of cotton. ⁷Statistical discrepancy.

General Economic Data

Gross national product and related data

	Annual			1983			1984	
	1981	1982	1983	I	II	IV	I	II
\$ Bil. (Quarterly data seasonally adjusted at annual rates)								
Gross national product ¹	2,957.8	3,069.3	3,304.8	3,267.0	3,346.6	3,431.7	3,553.3	3,644.7
Personal consumption expenditures	1,849.1	1,984.9	2,155.9	2,141.6	2,181.4	2,230.2	2,276.5	2,332.7
Durable goods	235.4	245.1	279.8	278.1	284.1	299.8	310.9	320.7
Nondurable goods	730.7	757.5	801.7	796.9	811.7	823.0	841.3	858.3
Clothing and shoes	114.3	118.8	127.0	127.1	126.8	132.5	136.1	142.2
Food and beverages	373.9	392.8	416.5	413.6	420.5	425.1	433.9	442.1
Services	883.0	982.2	1,074.4	1,068.6	1,085.7	1,107.5	1,124.4	1,153.7
Gross private domestic investment	484.2	414.9	471.6	449.6	491.9	540.0	623.8	627.0
Fixed investment	458.1	441.0	485.1	469.0	496.2	527.3	550.0	576.4
Nonresidential	353.9	349.6	352.9	339.3	353.9	383.9	398.8	420.8
Residential	104.3	91.4	132.2	129.8	142.3	143.4	151.2	155.6
Change in business inventories	26.0	-26.1	-13.5	-19.4	-4.3	12.7	73.8	50.6
Net exports of goods and services	28.0	19.0	-8.3	-6.5	-16.4	-29.8	-51.5	-58.7
Exports	369.9	348.4	336.2	328.1	342.0	346.1	358.9	362.4
Imports	341.9	329.4	344.4	334.5	358.4	375.9	410.4	421.1
Government purchases of goods and services	596.5	650.5	685.5	682.2	689.8	691.4	704.4	743.7
Federal	228.9	258.9	269.7	270.5	269.2	266.3	267.8	296.4
State and local	367.6	391.5	415.8	411.6	420.6	425.1	436.6	447.4

1972 \$Bil. (Quarterly data seasonally adjusted at annual rates)								
Gross national product	1,512.2	1,480.0	1,534.7	1,524.8	1,550.2	1,572.7	1,610.9	1,638.8
Personal consumption expenditures	950.5	963.3	1,009.2	1,006.2	1,015.6	1,032.4	1,044.1	1,064.2
Durable goods	140.9	140.5	157.5	156.2	159.6	167.2	173.7	178.6
Nondurable goods	360.6	363.1	375.3	374.9	378.5	383.2	387.1	396.6
Clothing and shoes	82.8	84.2	88.5	89.0	87.6	91.4	94.2	99.1
Food and beverages	180.9	182.3	188.9	187.4	190.9	191.2	189.7	193.6
Services	448.8	459.8	475.4	475.1	477.8	482.0	483.4	488.9
Gross private domestic investment	230.9	194.3	221.0	212.6	230.6	249.5	285.5	283.9
Fixed investment	219.6	204.7	224.6	218.7	229.8	242.2	253.9	263.7
Nonresidential	175.0	166.9	171.0	165.3	172.6	184.5	193.3	202.9
Residential	44.5	37.9	53.7	53.4	57.2	57.8	60.6	60.8
Change in business inventories	11.3	-10.4	-3.6	-6.1	.9	7.2	31.6	20.3
Net exports of goods and services	43.8	29.7	12.6	13.6	11.9	2.0	-8.3	-11.4
Exports	160.2	147.6	139.5	137.0	141.6	141.0	144.9	144.7
Imports	118.4	118.0	126.9	123.4	129.7	139.1	153.2	156.2
Government purchases of goods and services	287.0	292.7	291.9	292.4	292.0	288.8	289.5	302.1
Federal	110.3	117.0	116.2	117.2	115.6	113.0	112.2	123.2
State and local	176.8	175.7	176.7	175.2	176.4	175.8	177.3	178.9

New plant and equipment expenditures (\$bil.)	289.4	282.7	269.2	261.2	270.1	284.0	293.2	302.7
Implicit price deflator for GNP (1972=100)	195.60	207.38	215.34	214.25	215.69	218.21	220.58	222.40
Disposable income (\$bil.)	2,041.7	2,180.5	2,340.1	2,302.9	2,367.4	2,428.6	2,502.2	2,554.3
Disposable income (1972 \$bil.)	1,049.3	1,058.3	1,095.4	1,082.0	1,102.2	1,124.3	1,147.6	1,165.3
Per capita disposable income (\$)	8,874	9,385	9,977	9,832	10,062	10,318	10,608	10,797
Per capita disposable income (1972 \$)	4,561	4,555	4,670	4,619	4,694	4,776	4,865	4,927
U.S. population, total, incl. military abroad (mil.)	230.0	232.3	234.5	234.2	234.8	235.4	235.9	236.4
Civilian population (mil.)	227.9	230.1	232.3	232.0	232.6	233.2	233.7	234.1

See footnotes at end of next table.

Selected monthly indicators

	Annual			1983		1984				
	1981	1982	1983 p	Aug	Mar	Apr	May	June	July	Aug p
Monthly data seasonally adjusted except as noted										
Industrial production, total ¹ (1967=100)	151.0	138.6	147.6	151.8	160.8	162.1	162.8	164.3	165.6	166.2
Manufacturing (1957=100)	150.4	137.6	148.2	152.8	162.1	163.4	164.2	165.6	167.3	167.6
Durable (1967=100)	140.5	124.7	134.5	138.8	151.4	152.6	153.3	154.9	157.3	157.6
Nondurable (1967=100)	164.8	156.2	168.1	172.9	177.6	179.1	179.9	180.9	181.8	182.2
Leading economic indicators ^{1,3} (1967=100)	140.9	136.8	156.2	158.9	157.3	168.2	168.6	166.7	163.7	154.5
Employment ⁴ (mil. persons)	100.4	99.5	100.8	101.5	104.1	104.4	105.3	105.7	105.4	105.0
Unemployment rate ⁴ (%)	7.5	9.5	9.5	9.3	7.8	7.7	7.4	7.0	7.4	7.4
Personal income ¹ (\$ bil. annual rate)	2,429.5	2,584.6	2,744.2	2,759.9	2,940.6	2,968.6	2,978.8	3,006.5	3,026.7	3,042.8
Hourly earnings in manufacturing ^{4,5} (\$)	7.99	8.50	8.83	8.78	9.09	9.11	9.11	9.14	9.17	9.14
Money stock-M1 (daily avg.) (\$ bil.) ²	440.6	478.2	525.3	517.4	535.1	535.3	541.0	546.2	545.6	546.4
Money stock-M2 (daily avg.) (\$ bil.) ²	1,794.9	1,959.5	2,196.2	2,135.3	2,229.9	2,242.7	2,258.4	2,272.0	2,281.1	2,289.6
Three-month Treasury bill rate ² (%)	14.029	10.686	8.63	9.39	9.44	9.69	9.90	9.94	10.13	10.49
Aaa corporate bond yield (Moody's) ^{6,7} (%)	14.17	13.79	12.04	12.51	12.57	12.81	13.28	13.55	13.44	12.87
Interest rate on new home mortgages ^{5,6} (%)	14.70	15.14	12.57	12.38	12.02	12.04	12.18	12.10	12.50	12.42
Housing starts, private (incl. farm) (thou.)	1,084	1,062	1,703	18.73	1,662	2,015	1,794	1,877	1,763	15.37
Auto sales at retail, total ¹ (mil.)	8.5	8.0	9.2	9.0	10.0	10.2	11.0	10.8	10.6	10.0
Business sales, total ¹ (\$ bil.)	355.8	343.5	367.1	373.3	401.9	405.9	412.7	414.1	411.0p	—
Business inventories, total ¹ (\$ bil.)	523.6	505.5	514.3	504.3	532.8	541.1	545.9	546.8	551.3p	—
Sales of all retail stores (\$ bil.) ⁹	87.0	89.5	97.8	98.3	103.9	107.5	108.2	109.3	107.1p	106.2
Durable goods stores (\$ bil.)	26.3	27.0	32.1	32.0	35.3	37.4	37.9	38.7	37.4p	36.8
Nondurable goods stores (\$ bil.)	60.7	62.5	65.7	66.3	68.6	70.1	70.3	70.6	69.8p	69.7
Food stores (\$ bil.)	19.9	20.8	21.6	21.8	22.4	22.9	22.8	23.0	23.2p	22.8
Eating and drinking places (\$ bil.)	8.2	8.6	9.6	9.7	10.2	10.3	10.2	10.4	10.4p	10.6
Apparel and accessory stores (\$ bil.)	4.2	4.3	4.5	4.4	4.8	5.0	5.0	5.1	4.9p	4.8

¹ Department of Commerce. ² Board of Governors of the Federal Reserve System. ³ Composite index of 12 leading indicators. ⁴ Department of Labor, Bureau of Labor Statistics. ⁵ Not seasonally adjusted. ⁶ December of the year listed. ⁷ Moody's Investors Service. ⁸ Federal Home Loan Bank Board. ⁹ Adjusted for seasonal variations, holidays, and trading day differences. p = preliminary. r = revised.

U.S. Agricultural Trade

Prices of principal U.S. agricultural trade products

	Annual			1983		1984				
	1981	1982	1983	Aug	Mar	Apr	May	June	July	Aug
Export commodities										
Wheat, f.o.b. vessel, Gulf ports (\$/bu.)	4.80	4.38	4.30	4.15	4.22	4.30	4.19	4.12	4.05p	4.18
Corn, f.o.b. vessel, Gulf ports (\$/bu.)	3.40	2.80	3.49	3.97	3.78	3.81	3.73	3.74	3.63p	3.56
Grain sorghum, f.o.b. vessel, Gulf ports (\$/bu.)	3.28	2.81	3.34	3.51	3.40	3.00	3.39	3.16	2.93p	2.78
Soybeans, f.o.b. vessel, Gulf ports (\$/bu.)	7.40	6.36	7.31	8.29	8.26	8.25	8.81	8.09	7.00p	6.98
Soybean oil, Decatur (cts./lb.)	21.07	18.33	23.51	30.07	30.11	32.06	38.66	35.60	30.43	28.88
Soybean meal, Decatur (\$/ton)	218.65	179.70	200.91	234.71	196.06	188.41	188.45	174.45	158.05	151.35
Cotton, 10 market avg. spot (cts./lb.)	71.93	60.10	68.68	72.93	74.89	75.64	79.44	75.00	67.35	53.01
Tobacco, avg. price of auction (cts./lb.)	156.48	172.20	173.96	168.48	166.52	166.06	166.06	166.06	166.06	174.92
Rice, f.o.b. mill, Houston (\$/cwt.)	25.63	18.89	19.39	19.50	20.25	20.10	19.50	19.50	19.50	19.50p
Edible tallow, Chicago (cts./lb.)	15.27	12.85	13.41	13.65	16.75	17.00	19.13	20.00	17.10	16.25
Import commodities										
Coffee, N.Y. spot (\$/lb.)	1.27	1.41	1.33	1.28	1.51	1.48	1.48	1.47	1.45	1.45
Sugar, N.Y. spot (cts./lb.)	19.73	19.86	22.04	22.55	22.00	22.03	22.00	22.06	21.89	21.72
Rubber, N.Y. spot (cts./lb.)	56.79	45.48	56.19	59.71	57.77	56.44	51.16	47.50	46.49	46.45
Cocoa beans, N.Y. (\$/lb.) . . . . .	.90	.75	.92	1.00	1.13	1.13	1.19	1.08	.97	.99
Bananas, f.o.b. port of entry (\$/40-lb. box)	7.28	6.80	7.93	8.42	7.51	7.52	7.73	8.33	6.65	6.16

p = preliminary. n.a. = not available.

U.S. agricultural exports by regions

Region and country	October-July		July		Change from year earlier	
	1982/83	1983/84	1983	1984	October-July	July
	\$ Mil.				Percent	
Western Europe	6,665	8,305	620	442	24	-29
European Community	6,536	5,967	474	307	59	-35
Belgium-Luxembourg	662	712	35	49	8	40
France	459	475	28	18	3	-36
Germany, Fed. Rep.	1,265	1,148	116	28	9	-76
Italy	710	702	47	52	1	11
Netherlands	2,467	2,034	173	101	18	-42
United Kingdom	646	648	44	41	0	-7
Other Western Europe	2,129	2,338	146	135	10	-8
Portugal	519	654	52	48	26	-8
Spain	1,001	464	51	0	54	-100
Switzerland	312	283	20	13	9	-35
Eastern Europe	728	633	93	54	-13	-42
German Dem. Rep.	116	120	0	11	3	100
Poland	205	168	19	11	18	-42
USSR	968	1,963	4	70	103	1,650
Asia	11,427	13,010	1,112	1,195	14	7
West Asia (Mideast)	1,231	1,525	144	165	24	15
Turkey	22	173	1	11	686	1,000
Iraq	265	338	50	34	28	-32
Israel	250	312	28	56	25	100
Saudi Arabia	366	395	30	42	8	40
South Asia	1,043	766	81	21	-27	-74
India	733	346	8	7	53	-13
Pakistan	133	249	44	6	87	-86
East and Southeast Asia	9,153	10,720	887	1,009	17	14
China	646	546	1	62	0	6,100
Taiwan	1,014	1,213	90	114	20	27
Japan	4,860	5,982	497	532	23	7
Korea, Rep.	1,440	1,592	153	161	11	5
Hong Kong	292	342	34	32	17	-6
Indonesia	335	382	44	27	14	-39
Philippines	313	235	37	46	25	24
Africa	1,797	2,362	192	245	31	28
North Africa	1,176	1,219	132	151	4	14
Morocco	191	289	30	50	51	67
Algeria	165	134	16	7	19	-56
Egypt	762	695	60	67	9	-16
Other Africa	621	1,143	60	94	84	57
Nigeria	255	292	19	16	15	-16
Rep. S. Africa	88	496	7	32	464	357
Latin America and Caribbean	3,869	4,438	409	504	15	23
Brazil	337	342	33	37	1	12
Caribbean Islands	636	686	72	80	8	11
Colombia	208	189	16	11	9	-31
Mexico	1,400	1,707	127	178	22	40
Peru	198	204	20	26	3	30
Venezuela	505	670	69	78	33	13
Canada	1,541	1,615	148	158	5	7
Oceania	186	184	16	20	-1	25
Total¹	29,183	32,510	2,596	2,688	11	4

¹ Totals may not add due to rounding.

U.S. agricultural imports

	October-July				July			
	1982/83	1983/84	1982/83	1983/84	1983	1984	1983	1984
	Thou. units		\$ Thou.		Thou. units		\$ Thou.	
Animals, live (no.)	1,317	1,593	473,263	500,570	109	196	38,023	51,700
Meats and preps., excl. poultry (mt)	779	730	1,745,406	1,564,870	86	95	189,302	203,780
Beef and veal (mt)	547	441	1,141,839	942,866	62	57	134,757	119,761
Pork (mt)	210	266	549,549	570,579	21	35	48,527	78,919
Dairy products (mt)	240	288	587,784	625,845	14	26	40,823	76,511
Poultry and products	—	—	72,584	103,368	—	—	9,761	9,995
Fats, oils, and greases (mt)	8	15	4,684	9,220	1	2	701	1,036
Hides and skins, incl. furskins	—	—	171,167	189,301	—	—	10,095	15,159
Wool, unmanufactured (mt)	31	52	103,977	171,811	4	5	11,897	17,128
Grains and feeds (mt)	1,294	1,454	377,549	438,530	170	185	48,902	48,887
Fruits, nuts, and preparations	—	—	1,582,341	1,938,624	—	—	158,771	243,608
Bananas and plantains (mt)	2,139	2,354	496,454	574,737	175	231	43,929	55,916
Vegetables and preparations (mt)	1,491	1,878	939,076	1,145,910	87	117	62,650	99,735
Tobacco, unmanufactured (mt)	161	158	474,210	469,679	20	23	57,424	66,108
Cotton, unmanufactured (mt)	7	23	5,536	12,550	(¹)	1	381	1,560
Seeds (mt)	82	78	82,730	86,951	1	1	4,310	4,863
Nursery stock and cut flowers	—	—	184,590	239,716	—	—	12,788	19,489
Sugar, cane or beet (mt)	2,081	2,483	793,107	995,912	219	224	77,732	90,325
Oilseeds and products (mt)	840	976	394,637	650,955	79	67	39,506	56,219
Oilseeds (mt)	149	204	66,076	85,186	16	11	7,320	5,787
Protein meal (mt)	71	107	11,531	19,363	5	8	944	1,305
Vegetable oils (mt)	620	665	317,031	546,406	58	48	31,242	49,127
Beverages excl. fruit juices (hl)	10,128	11,162	1,111,899	1,257,823	1,111	1,463	116,645	161,698
Coffee, tea, cocoa, spices, etc. (mt)	1,460	1,479	3,379,117	3,930,798	127	166	302,966	468,419
Coffee, incl. products (mt)	889	931	2,373,492	2,709,642	82	107	219,760	322,876
Cocoa beans and products (mt)	419	380	732,124	867,581	32	40	63,242	103,498
Rubber and allied gums (mt)	576	682	500,604	725,580	51	75	52,196	80,454
Other	—	—	595,965	703,623	—	—	61,048	97,225
Total	—	—	13,580,226	15,761,636	—	—	1,286,921	1,813,899

¹ Less than 500.

Trade balance

	October-July		July	
	1982/83	1983/84	1983	1984
	\$ Mil.			
Exports				
Agricultural	29,183	32,510	2,596	2,688
Nonagricultural	133,227	141,577	12,971	15,196
Total ¹	162,410	174,087	15,567	17,884
Imports				
Agricultural	13,580	15,762	1,286	1,814
Nonagricultural	187,397	243,731	20,197	29,606
Total ²	200,977	259,493	21,483	31,420
Trade balance				
Agricultural	15,603	16,748	1,310	874
Nonagricultural	-54,170	-102,154	-7,226	-14,410
Total	-38,567	-85,406	-5,916	-13,536

¹ Domestic exports including Department of Defense shipments (F.A.S. value). ² Imports for consumption (customs value).

U.S. agricultural exports

	October-July				July			
	1982/83	1983/84	1982/83	1983/84	1983	1984	1983	1984
	Thou. units		\$ Thou.		Thou. units		\$ Thou.	
Animals, live (no.)	585	616	169,091	165,951	63	62	27,190	8,783
Meats and preps., excl. poultry (mt)	345	352	781,159	771,828	33	38	67,030	73,686
Dairy products (mt)	272	322	286,086	305,636	26	40	26,411	36,476
Poultry meats (mt)	214	184	235,501	234,039	22	20	25,096	25,432
Fats, oils, and greases (mt)	1,196	1,162	486,344	580,762	94	109	38,455	64,605
Hides and skins incl. furskins	—	—	859,854	1,123,602	—	—	73,230	100,181
Cattle hides, whole (no.)	18,785	20,454	592,686	841,249	1,875	1,979	64,794	86,234
Mink pelts (no.)	2,365	2,464	60,188	65,088	56	76	972	2,043
Grains and feeds (mt)	86,043	88,165	12,486,155	14,235,313	7,836	8,403	1,211,910	1,325,610
Wheat and wheat flour (mt)	32,263	32,132	5,212,032	5,128,469	3,341	3,709	509,545	557,853
Rice (mt)	1,750	1,832	685,883	728,152	165	160	67,930	62,377
Feed grains, excl. products (mt)	45,276	47,517	5,325,161	7,045,439	3,580	3,851	497,469	574,949
Feeds and fodders (mt)	6,042	6,001	999,039	1,052,216	672	594	108,364	96,854
Other grain products (mt)	712	703	264,040	281,037	78	89	28,602	33,577
Fruits, nuts, and preparations (mt)	1,815	1,652	1,582,705	1,516,555	169	144	155,619	155,811
Vegetables and preparations (mt)	1,380	1,339	854,863	870,289	140	118	78,351	74,759
Tobacco, unmanufactured (mt)	215	200	1,292,451	1,272,355	14	8	81,050	55,987
Cotton, excl. linters (mt)	975	1,316	1,431,176	2,112,702	94	84	145,165	143,010
Seeds (mt)	228	221	282,457	284,002	12	12	15,880	20,534
Sugar, cane or beet (mt)	48	257	13,406	66,151	10	16	3,338	3,877
Oilseeds and products (mt)	30,125	25,015	7,435,768	7,966,972	2,081	1,533	555,989	510,032
Oilseeds (mt)	22,775	19,005	5,388,386	5,840,878	1,550	1,132	387,346	354,212
Soybeans (mt)	21,418	17,848	4,983,947	5,345,912	1,405	1,066	341,573	321,681
Protein meal (mt)	5,999	4,705	1,309,105	1,148,404	377	269	84,548	61,069
Vegetable oils (mt)	1,351	1,305	738,277	977,691	153	133	84,095	94,751
Essential oils (mt)	8	9	72,808	81,313	1	1	6,086	6,524
Other	—	—	912,881	922,489	—	—	84,838	82,972
Total	—	—	29,182,705	32,509,959	—	—	2,595,638	2,688,279

Indexes of nominal and real trade-weighted dollar exchange rates

	1983				1984							
	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug
April 1971=100												
Total agriculture												
Nominal ¹	403.2	429.8	454.4	478.4	505.7	538.8	580.4	619.3	662.2	710.5	770.7	823.6
Real ²	96.4	94.9	96.0	97.0	97.8	96.1	*94.0	*95.1	*97.3	*97.6	*99.8	*99.9
Soybeans												
Nominal	149.3	148.8	152.3	155.3	157.5	155.1	152.9	155.6	162.8	163.0	167.4	168.6
Real	91.8	89.8	91.5	93.0	94.2	91.7	*88.9	*90.0	*92.7	*92.9	*95.9	*96.6
Wheat												
Nominal	1,553.3	1,713.1	1,843.4	1,972.7	2,126.0	2,333.9	2,588.1	2,802.6	3,018.0	3,304.9	3,645.5	3,957.6
Real	101.9	101.2	101.8	101.7	102.1	101.6	*100.4	*101.6	*102.7	*103.4	*104.4	*104.1
Corn												
Nominal	400.4	424.5	448.3	471.1	497.1	526.7	563.2	599.2	641.2	684.7	741.0	789.8
Real	95.4	93.6	95.1	96.3	97.3	95.1	*92.3	*93.2	*96.0	*96.0	*98.7	*99.2
Cotton												
Nominal	159.9	163.4	180.2	181.4	182.5	181.4	180.4	184.1	185.9	187.3	190.4	191.2
Real	91.7	91.7	94.4	94.8	95.0	94.1	*92.9	*93.5	*94.6	*95.6	*97.4	*97.7

¹ Nominal values are percentage changes in currency units per dollar, weighted by proportion of agricultural exports from the United States. An increase indicates that the dollar has appreciated. ² Real values are computed in the same way as the nominal series, adjusted for CPI changes in the countries involved.

* Preliminary; assumes the same rate of CPI increase/decrease as the previous six months.

World Agricultural Production

World supply and utilization of major crops

	1978/79	1979/80	1980/81	1981/82	1982/83 p	1983/84 F	1984/85 F
	Mil. units						
Wheat							
Area (hectare)	228.9	227.6	236.5	239.5	238.9	228.4	231.3
Production (metric ton)	446.8	422.8	442.7	448.6	478.6	488.7	449.6
Exports (metric ton) ¹	72.0	86.0	94.1	101.3	98.4	101.6	103.0
Consumption (metric ton) ²	430.2	443.5	445.3	441.6	467.1	484.2	498.7
Ending stocks (metric ton) ³	100.9	80.4	78.5	85.4	96.8	101.3	102.2
Coarse grains							
Area (hectare)	342.8	341.1	336.6	344.1	333.2	332.0	336.8
Production (metric ton)	753.6	741.5	732.0	768.7	778.9	689.5	785.4
Exports (metric ton) ⁴	90.2	98.8	108.8	98.5	91.4	90.0	98.4
Consumption (metric ton) ²	748.1	740.3	741.6	739.6	752.8	757.9	774.2
Ending stocks (metric ton) ³	91.2	91.6	83.3	112.4	138.4	70.1	81.3
Rice, milled							
Area (hectare)	144.1	143.1	144.3	145.1	140.7	144.7	145.8
Production (metric ton)	260.7	253.9	271.0	280.5	285.3	305.4	307.5
Exports (metric ton) ⁵	11.6	12.7	13.1	11.6	11.8	12.4	11.9
Consumption (metric ton) ²	255.8	257.8	272.2	281.3	289.7	305.4	307.7
Ending stocks (metric ton) ³	27.7	23.4	22.1	21.2	16.9	16.9	16.8
Total grains							
Area (hectare)	715.8	711.8	717.4	728.7	712.8	705.1	713.9
Production (metric ton)	1,461.1	1,418.2	1,445.7	1,497.8	1,542.8	1,483.6	1,592.5
Exports (metric ton) ¹	173.8	197.5	216.0	211.4	201.6	204.0	213.3
Consumption (metric ton) ²	1,434.1	1,441.9	1,459.1	1,462.5	1,509.6	1,547.5	1,580.6
Ending stocks (metric ton) ³	219.8	195.4	183.9	219.0	252.1	188.3	200.3
Oilseeds and meals⁴							
Production (metric ton)	82.1	90.6	87.7	93.4	95.7	92.1	96.7
Trade (metric ton)	40.6	51.8	48.3	54.0	55.3	51.1	53.5
Fats and oils⁶							
Production (metric ton)	48.5	52.0	52.5	55.2	57.2	56.6	58.7
Trade (metric ton)	19.3	20.7	19.6	21.2	21.5	20.5	21.8
Cotton							
Area (hectare)	32.4	32.2	32.4	33.2	32.1	31.7	33.9
Production (bale)	59.6	65.2	64.8	70.8	67.4	67.4	76.3
Exports (bale)	19.7	23.1	19.7	20.2	19.3	19.0	19.7
Consumption (bale)	62.0	65.3	65.9	65.5	67.8	68.7	70.3
Ending stocks (bale)	24.1	24.0	24.1	25.6	25.1	23.8	29.6

F = Forecast, p = preliminary. ¹ Excludes intra-EC trade. ² Where stocks data not available (excluding USSR), consumption includes stock changes. ³ Stocks data are based on differing marketing years and do not represent levels at a given date. Data not available for all countries; includes estimated change in USSR grain stocks but not absolute level. ⁴ Soybean meal equivalent. ⁵ Calendar year data. 1979 data correspond with 1978/79, etc. Excludes safflower, sesame, and castor oil.

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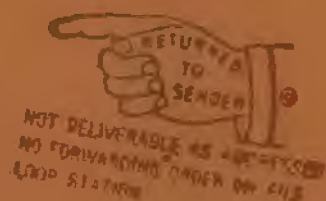
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Prospects for the 1985 farm bill will come under close scrutiny at Outlook '85, USDA's 61st annual agricultural outlook conference, which will be held in Washington, D.C., December 3-5, 1984. As is its tradition, the conference will lead off with the outlook for the economy, agriculture and trade, and international policy—major components of today's agricultural equation.

OUTLOOK '85



Shorter and tighter than in recent years, the conference will provide Policymakers with a complete overview of the agricultural situation in 3 days. Secretary of Agriculture John Block is scheduled to open the proceedings with an address at 10 a.m. Monday, December 3. Two special panels on the 1985 farm bill will follow, one focusing on the environment for the new legislation and the second including viewpoints from members of Congress, the Administration, and the farm and private sectors. Succeeding sessions will cover the major farm commodities, while sessions on family economics and nutrition are scheduled over the 3 days.

This year for the first time, listeners outside the Washington area will be able to call in questions to certain follow-up sessions for major commodities. Callers will use a regular long-distance business line at regular long-distance rates.

As last year, a 900-line service will allow listeners to hear all sessions. The service costs 50 cents for the first minute and 35 cents for each additional minute. Thus, you can hear an hour-long session for less than \$22. Plus tax.

For a copy of the preliminary Outlook '85 program, which contains time and location for each session, please write: Outlook '85, USDA/WAOB, Room 5143-S, Washington, D.C. 20250.